



VERTAC CHEMICAL CORPORATION

24th Floor • 5100 Poplar • Memphis, TN 38137 • 901-767-6851

TELEX 53927

March 28, 1980

*Copy
Rosemary
Collect
& file*

Mr. Robert J. De Stefano
Senior Purchasing Agent
Contracting Section
Chemicals, Contracting & Packaging
Energy and Materials Department
E.I. Du Pont de Nemours & Company, Inc.
Wilmington, Delaware 19898

Dear Bob:

Confirming our discussion of March 27th, Vertac Chemical proposes to formulate 300,000 gallons of Lannate from technical methomyl to be provided by Du Pont in fifty kilo drums, and package this material in one gallon containers. Vertac's fee for the formulating and packaging is to be \$0.90 per gallon, FOB West Helena, Arkansas with all raw materials and containers to be provided by Du Pont. Further, Du Pont will reimburse Vertac's direct out of pocket costs for disposing of the empty fifty kilo drums. Vertac is planning to be in operation during the week of April 7th and will produce formulated Lannate at about the rate of 100,000 one gallon containers per month.

It is our understanding that Du Pont has on hand a limited number of fifty five gallon drums of liquid Lannate formulation. Vertac's fee for formulation confirmation and packaging in one gallon containers would be \$0.80 per gallon per the same basis as above. As indicated, Vertac will hire and train a number of employees to free up the former Lannate operators and packaging crew for your pressing requirements. Therefore, Du Pont's immediate authorization to proceed would be in our mutual best interests.

*We need to be
sure what we
repackage, since
fee is different.*

We are pleased to assist Du Pont on the one gallon formulation. We are also looking forward to reviewing the Lannate contract extension and possible new product venture on April 21st.

Very truly yours,

George F. Mather
Business Manager
Custom Manufacturing and
Intermediate Chemicals

GFM:ts

CC: Mr. M. E. Stevens
Mr. Jess W. Stuart

9349717



Notes

Pat

3/31/80

Lannate Liquid

— all principals on vacation regarding this project. Key Houston plant CONTACT, Bill Bringhurst, will BE in Wednesday. He is to confirm the following:

- ① 3000 gals (could go as high as 5000 BUT Purchase order may need to be on invoice will BE for 3000 gal).
- ② all TECHNICAL methomyl blending to liquid / about 85% as 1 gal containers & Balance in larger sizes principally (55 gal).
- ③ Making plans right now to have materials to VERTAC.
- ④ Approval paperwork is in Wilmington from Houston & has general agreement. There are enough principals on vacation that it will BE next week before final approval.
- ⑤ DuPont would still like VERTAC to startup next week (of course)

CC: Bill Shaeffer

Sege

N-304-12

Rosemary Calvert

Byron
for your info
RHC

Lannate® L

Eagle River

MONTH END INVENTORY REPORT
 PERIOD 7-25-80 THRU _____

	58527	20163	58526	20165	24066
	MTA AO Slurry as 100% Comm.	Methanol	Methomyl Tech	S/S Drums Flex- spots Kyflo Supercel	Methyl Isoc- yanate Pounds Drs
*CONSUMPTIONS:					
A. STOCK LAST REPORT		- 0 -	13,117	119	250
B. RECEIPTS			220	2	CONSUMED
C. CONSUMPTION			12,897	117	SHIPPED BACK
D. STOCK THIS REPORT			- 0 -		

	47310 1 Gal Jugs	47309 Caps for 1 Gal Jugs	47329 KD Ctns for 4/1	47316 5 Gal Ctn Pkg	5 Gal. Pails	30 Gal. Drums	23984 Marasperse CB	55 Gal
A. STOCK LAST REPORT	1116	6,000	450				60	
B. RECEIPTS	6336	16,800	2400					3
C. CONSUMPTION								
D. STOCK THIS REPORT								- 0 -

*CONSUMPTIONS:

$$A + B - D = C$$

	63507					
	Lannate L Bulk	4/1 Gal.	5 Gal.	30 Gal.	55 Gal	
A. STOCK THIS REPORT	- 0 -					
B. SHIPMENTS	7,688	7,342			346	
C. RECEIPTS						
D. STOCK LAST REPORT	10,367	- 0 -			- 0 -	
E. PRODUCTION	<2,679>	7,342			346	

**PRODUCTIONS

$$A + B - (C + D) = E$$

Copy mailed James O'Riely 12-5-80
 per his request.
 D

Account Name	Account Number		Subsidiary Ledger		General Ledger	
	Subsid.	Control	Debit	Credit	Debit	Credit
			End July.			
			Bulk Lavast. Liquid		10,367 gal	
			James O'Reilly,		713 471 2771	
					Ext 1286	
471						



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

August 25, 1981

Vertac Chemical Corporation
5100 Poplar Street
Suite 2414
Memphis, TN 38137

Gentlemen:

OUR PURCHASE ORDER GH-75716-X

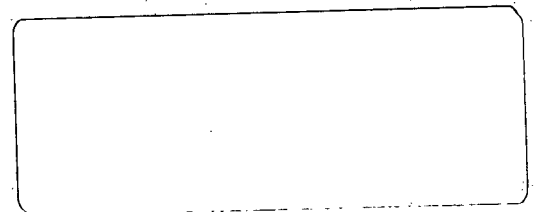
Attached please find in duplicate the subject Purchase Order.

If this meets with your approval, please sign both copies, retain the original for your files and return the copy to me by September 8, 1981.

Very truly yours,

R. J. DE STEFANO
SENIOR PURCHASING AGENT
CONTRACTING SECTION

RJD/kmb/0090c
Attachment





E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

CONTRACT ORDER
(FIELD LABOR)

August 17, 1981 GH-75716X 1
DATE CONTRACT ORDER NO. ALT. NO. PAGE NO.

E. I. DU PONT DE NEMOURS & COMPANY

SHIP TO:

Vertac Chemical Corporation
5100 Poplar Street
Suite 2414
Memphis, TN 38137

Wilmington, Delaware

ISSUING POINT
R. J. De Stefano 079-103

ISSUED BY

< This document when properly executed shall constitute a contract between E. I. DU PONT DE NEMOURS AND COMPANY (DU PONT) and VERTAC CHEMICAL CORPORATION (CONTRACTOR) for services described herein. >

SERVICES - DU PONT agrees to supply to CONTRACTOR all raw materials including packaging, at no charge, to CONTRACTOR'S plant in West Helena, Arkansas. CONTRACTOR will receive DU PONT material, blend and produce Lannate® liquid (hereinafter referred to as PRODUCT) in accordance with DU PONT'S written instructions that are made a part hereof by reference.

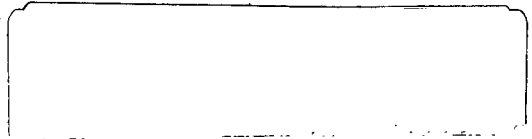
CONTRACTOR agrees to segregate all DU PONT-owned materials supplied in accordance with this Contract in a separate inventory and identify said inventory indicating DU PONT ownership of the inventoried materials.

PRODUCT will not be shipped until quality is approved by DU PONT. Equipment used in the formulation, processing and packaging operations shall be thoroughly cleaned and free of possible contaminants. DU PONT shall have the right to inspect and approve the equipment prior to use.

Neither inspection nor approval by DU PONT shall constitute any representation or warranty by DU PONT with respect thereto, the assumption by DU PONT of any responsibility or liability with respect thereto, or the acceptance or waiver of any defect in the material or service supplied by CONTRACTOR, or be deemed to waive any of the CONTRACTOR'S obligation under this contract.

QUANTITIES - DU PONT agrees to purchase and CONTRACTOR agrees to blend up to one hundred thousand (100,000) gallons of PRODUCT.

TITLE - Notwithstanding the fact that DU PONT materials are located on CONTRACTOR'S premises, DU PONT shall retain title to such materials both before and after processing by CONTRACTOR. It is understood, however, that CONTRACTOR shall have title to all unuseable and waste materials, and all responsibility and liability in connection therewith shall vest in and be assumed by CONTRACTOR.



ITEM	GEN LEDGER	SUB ACCOUNTS	REQUISITIONED BY	DELIVER TO	REQUISITION NO.
	7506	195032	PLANT COPIES TO JUDY ESCOBEDO	9764b/ddb	



E. I. DU PONT DE NEMOURS & COMPANY

INCORPORATED
WILMINGTON, DELAWARE 19898

CONTRACT ORDER

(FIELD LABOR)

August 17, 1981

GH-75716X

2

DATE

CONTRACT ORDER NO.

ALT. NO.

PAGE NO.

E. I. DU PONT DE NEMOURS & COMPANY

SHIP TO:

Vertac Chemical Corporation
5100 Poplar Street
Suite 2414
Memphis, TN 38137

Wilmington, Delaware

ISSUING POINT

R. J. De Stefano 079-103

ISSUED BY

CONTRACTOR agrees that such waste will be disposed of in an environmentally safe manner and in compliance with all pertinent federal, state and local laws, rules and regulations.

COMPENSATION - As full compensation CONTRACTOR shall be reimbursed as follows:

\$1.05/gallon each 1-gallon jug

YIELD LOSS - CONTRACTOR shall use its best efforts to maximize yields and shall ship in accordance with DU PONT'S instructions all Lannate® which meets the specifications herein. To the extent possible, CONTRACTOR shall rework all off-specification material at its own expense. If, during CONTRACTOR'S performance hereunder, any of DU PONT'S material is actually lost, damaged or destroyed ("Yield Loss") for reasons other than the negligence of CONTRACTOR, then CONTRACTOR shall be afforded a Yield Loss allowance for up to a maximum of 1.5% based on the weight of the raw materials and a maximum of 3% on materials furnished by DU PONT. CONTRACTOR shall reimburse DU PONT at DU PONT'S replacement cost for any Yield Loss caused by the negligence of CONTRACTOR and any Yield Loss in excess of maximum Yield Loss. Replacement cost will be mutually agreed upon at the time the loss occurs. Yield Losses and reimbursement, if any, shall be determined quarterly and at the conclusion of this order.

PERIOD OF AGREEMENT - Spot Order.

INSPECTION - DU PONT'S duly authorized representatives shall have the right to visit, observe and inspect CONTRACTOR'S processing facilities related to this Contract at any time during CONTRACTOR'S normal business hours.

SHIPMENTS - Freight charges for all materials shipped to CONTRACTOR by DU PONT and for all finished products shipped by CONTRACTOR in accordance with DU PONT'S instructions will be for DU PONT'S account.

ITEM	GEN LEDGER	SUB ACCOUNTS	REQUISITIONED BY	DELIVER TO	REQUISITION NO.
	7506	195032			
				9764b/ddb	



E. I. DU PONT DE NEMOURS & COMPANY

INCORPORATED
WILMINGTON, DELAWARE 19898CONTRACT ORDER
(FIELD LABOR)

August 17, 1981

GH-75716X

3

DATE

CONTRACT ORDER NO.

ALT. NO. PAGE NO.

E. I. DU PONT DE NEMOURS & COMPANY

SHIP TO:

Vertac Chemical Corporation
5100 Poplar Street
Suite 2414
Memphis, TN 38137

Wilmington, Delaware

ISSUING POINT

R. J. De Stefano 079-103

ISSUED BY

HAZARDS - CONTRACTOR recognizes that hazards may be involved in performing services as described hereunder. Product description and toxicological data for the material provided in the "Data Package" show operational safety hazards and environmental control for use. It is agreed and understood that this information is for CONTRACTOR'S information only, is provided without any representation or warranty as to its suitability for CONTRACTOR'S performing the services herein, and that the methods taken to process DU PONT'S materials hereunder as well as precautions taken by CONTRACTOR shall be determined by CONTRACTOR; and responsibility for methods used and safe handling until such materials are shipped to DU PONT shall rest solely with CONTRACTOR.

GENERAL CONDITIONS - DU PONT'S Standard Terms and Conditions, dated December 1979, are attached hereto and made a part hereof.

TERMS OF PAYMENT - CONTRACTOR shall invoice DU PONT monthly for the processing and packaging charge on such quantities of finished product as were produced during that month that meets DU PONT'S specifications and payment shall be made on the basis of Net Thirty (30) days from date of invoice. Mail (4) copies of your invoice to:

E. I. du Pont de Nemours and Company
P. O. Box 347
La Porte, Texas 77571

ENTIRETY - This document and the attachments specifically referred to herein embody the entire Contract, and there are no agreements, understandings, conditions, warranties or representations, oral or written, express or implied, with reference to the subject matter hereof which are not merged herein. No modification hereof shall be of any force or effect unless in writing signed by both parties.

ITEM	GEN LEDGER	SUB ACCOUNTS	REQUISITIONED BY	DELIVER TO	REQUISITION NO.
	7506	195032			
				9764b/ddb	



E. I. DU PONT DE NEMOURS & COMPANY

INCORPORATED

WILMINGTON, DELAWARE 19898

CONTRACT ORDER

(FIELD LABOR)

August 17, 1981

GH-75716X

DATE

CONTRACT ORDER NO.

ALT. NO.

PAGE NO.

4

E. I. DU PONT DE NEMOURS & COMPANY

SHIP TO:

Vertac Chemical Corporation
5100 Poplar Street
Suite 2414
Memphis, TN 38137

Wilmington, Delaware

ISSUING POINT

R. J. De Stefano 079-103

ISSUED BY

Please signify your acceptance of the above by signing in the space provided below and returning the carbon copy to R. J. De Stefano, E. I. du Pont de Nemours and Company, Energy and Materials Department, Wilmington, DE 19898.

VERTAC, INC.

BY: *Calvin*TITLE: *V.P. Operations*DATE: *Aug 31, 1981*

E. I. DU PONT DE NEMOURS AND COMPANY

BY: *R. J. De Stefano*TITLE: SENIOR PURCHASING AGENTDATE: CONTRACTING - AUGUST 27, 1981

REV. 2/14/79

ITEM	GEN LEDGER	SUB ACCOUNTS	REQUISITIONED BY	DELIVER TO	REQUISITION NO.
	7506	195032			
				9764b/ddb	

STANDARD TERMS AND CONDITIONS

(December 1979)

ASSIGNMENT AND SUBCONTRACTING - The rights and obligations covered herein are personal to each party hereto, and for this reason, this Agreement shall not be assignable by either party in whole or in part, nor shall either party subcontract any of its obligations hereunder without the prior written consent of the other party.

FAIR LABOR STANDARDS ACT - CONTRACTOR warrants that in the performance of the services hereunder, it will comply with applicable provisions of the Fair Labor Standards Act of 1938, as amended.

CONTINGENCY - Except to the extent otherwise provided herein in the provisions entitled LOSS AND DAMAGE and HOLD HARMLESS, no liability shall result to either party from delay in performance or nonperformance caused by circumstances beyond the control of the party affected, including, but not limited to, act of God, fire, flood, explosion, war, action or request of governmental authority, accident, labor trouble or shortage, inability to obtain material, equipment or transportation. It is agreed that each party when affected by contingencies beyond its control will notify the other party promptly and will use reasonable diligence for removal thereof. CONTRACTOR agrees if it invokes this provision, to allocate its remaining capacity on a fair and equitable basis.

LOSS AND DAMAGE - CONTRACTOR assumes full responsibility and liability for the safe handling and safekeeping of all material which DU PONT may deliver to CONTRACTOR while in its possession, and CONTRACTOR shall use due diligence in keeping operation losses at a minimum. CONTRACTOR shall obtain prior approval of DU PONT before moving any DU PONT-owned materials to a new location.

TERMINATION - If CONTRACTOR should be adjudged bankrupt or make a general assignment for the benefit of its creditors, or if a

December 1979

receiver should be appointed on account of its insolvency, or it should fail to make prompt payment for materials or labor, or disregard laws, ordinances or other governmental regulations, or violate any provisions of this Agreement, DU PONT, without any liability to CONTRACTOR, may on seven (7) days' written notice to CONTRACTOR terminate CONTRACTOR'S services under this Agreement.

CONTAMINATION AND RESPONSIBILITY - CONTRACTOR shall take all steps necessary to prevent the contamination of DU PONT'S material with foreign substances. CONTRACTOR shall formulate and package material in accordance with DU PONT specifications, and shall bear the cost of handling, reworking or replacing any material which cannot be marketed by reason of CONTRACTOR'S failure to meet specifications.

HOLD HARMLESS - CONTRACTOR agrees to take all necessary precautions to prevent any injury to persons (including employees of CONTRACTOR and DU PONT) or damage to property (including DU PONT'S and CONTRACTOR'S property) during the progress of the work covered hereunder and shall indemnify DU PONT against all loss and expense which may result in any way from any act or omission, including failure by CONTRACTOR to meet DU PONT'S product specifications, on the part of CONTRACTOR, its agents, employees or subcontractors, except to the extent that any such loss is due solely and directly to the negligence of DU PONT.

TAXES - CONTRACTOR assumes full responsibility for the payment of all social security, unemployment compensation, and other taxes and charges for all employees engaged by CONTRACTOR in the performance of the services hereunder, and it will require each of its subcontractors, if any, to do the same.

December 1979

INSURANCE - CONTRACTOR shall carry, at its expense, insurance of the following minimum limits as follows:

- (A) Workmen's Compensation - Statutory; and
Employer's Liability - \$100,000 per accident
 - This item requires a waiver of subrogation against DU PONT.
- (B) Comprehensive General Liability, Bodily Injury and Property Damage in a combined single limit - \$500,000 per occurrence.
 - This item requires DU PONT to be named additional insured.
- (C) Comprehensive Automotive Liability Bodily Injury and Property Damage in a combined single limit - \$500,000 per occurrence.
- (D) Contractual Liability in a combined single limit - \$500,000 per occurrence.

Certificates of insurance evidencing the coverages required above shall be filed with DU PONT'S La Porte, Texas plant prior to the furnishing of services under this Agreement. Such certificates shall provide that the insurer will give DU PONT not less than ten (10) days' advance notice of any changes in or cancellation of coverage. In the event any subcontractor is employed, CONTRACTOR shall provide DU PONT with evidence of the same coverages in the same limits with respect to such subcontractor.

INDEPENDENT CONTRACTOR - The employees, methods, equipment and facilities used by CONTRACTOR shall at all times be under its exclusive direction and control. CONTRACTOR'S relationship to DU PONT under this agreement shall be that of an independent contractor; and nothing in this Agreement shall be construed to constitute CONTRACTOR, or any of its employees, an agent, associate, joint venturer or partner of DU PONT.

December 1979

NONDISCLOSURE - The CONTRACTOR will not disclose to others (a) that DU PONT has purchased or plans to purchase services, articles or materials from CONTRACTOR or (b) the structure or composition of articles or materials to be processed for or purchased by DU PONT, when such structure or composition information is provided by DU PONT or (c) the structure or composition of the processed products produced hereunder when such structure or composition information is provided by DU PONT.

COMPLIANCE WITH LAWS - CONTRACTOR agrees that in the performance of the processing operations hereunder, as well as in the disposal of any waste material resulting from said operations, it will comply with all applicable laws, rules and regulations of governmental authority in connection therewith.

RECORDS - CONTRACTOR shall maintain, in accordance with generally accepted accounting principles and practices, such records as may be necessary adequately to reflect the accuracy of CONTRACTOR'S charges and invoices for reimbursement under this Agreement and to make and maintain such other and additional records as DU PONT may from time to time reasonably require in connection with this Agreement. DU PONT shall have the right from time to time to inspect and verify the records kept by CONTRACTOR in connection with this Agreement.

RJD/ddb/9823b

VERTAC, INC.



SUITE 2414 • 5100 POPLAR
MEMPHIS, TN 38137 • 901-767-6851

INTER-OFFICE CORRESPONDENCE

DATE:

January 9, 1979

TO:

J. W. Shackelford

FROM:

C. P. Bomar

SUBJECT:

REPLY REQUESTED BY (DATE)

Bill, this is just a reminder that we have escalated our charges to DuPont for the Lannate production in accordance with our contract. Attached is a copy of Exhibit C outlining the new billing rate.

While DuPont originally indicated some degree of argument about the revised billing, we have heard nothing further on this; therefore, you should proceed to use revised Exhibit C.

/ts

cc: G. B. Gammal
R. A. Guidi
G. F. Mather
E. A. Munoz

EXHIBIT "C"

For the Period: 1/1/79 - 6/30/79Manufacturing Cost/Product 10

1,200,000 gallons, year capacity @ 330 day/year operation

	USAGE PER GALLON	UNIT COST \$	VARIABLE COST/GALLON \$	FIXED COST PER MONTH \$	(1) STAND-BY COST/MONTH
1. <u>RAW MATERIAL USAGE</u>					
Slurry (as 100% MTAAO)	1.33	-			
Methyl Isocyanate	0.75	-			
Methanol	5.25	-			
Methylene Chloride	0.70	0.2450	0.1715		
2. <u>UTILITIES</u>					
Electricity	1.72KWH	0.03161	0.05437	1,530	Net Billi
Steam	13.10 lbs.	0.00373	0.04886	826	
Water	4.15 gal.	0.00058	0.00241	208	
Nitrogen	7.55 SCF	0.00395	0.02982	450	450
Natural Gas	876 MSCF (2)	1.31200	-	1,149	
Sub Total			0.13546	4,163	450
3. <u>OPERATING LABOR</u>					
Operating				11,902	
Packaging			0.08800	5,808	
Sub Total			0.08800	17,710	2,555
4. <u>MAINTENANCE</u>					
Repair Labor				4,950	
Maintenance Mat.				4,700	
Maintenance O/H				2,200	
Sub Total			-	11,850	2,100
5. <u>MISCELLANEOUS OPERATING EXPENSE</u>					
Supervision & Clerical				3,475	2,100
Operating Materials			0.01500	1,050	-
Laboratory				5,250	1,838
Shipping & Handling				990	
Sub Total			0.01500	10,765	3,938
6. <u>ADMINISTRATIVE O/H</u>					
Sub Total			-	7,140	4,200
7. <u>WASTE DISPOSAL</u>			(3)	-	-
Sub Total					
TOTAL			0.42127 0.40996	25,814 \$51,628	66,215.9 \$13,243

(1) For declared six months (min.) period; charge for shorter periods will be negotiated.

(2) Monthly consumption.

(3) To be billed at costs from mutually acceptable disposal companies, but not to exceed \$0.28 per gallon of Product 10, including on-site disposal costs at Eagle River.



SUITE 2414 • 5100 POPLAR
MEMPHIS, TN 38137 • 901-767-6851

DATE:

11-6-78

TO:

P. Bomar

FROM:

L.E. Harcrow

SUBJECT:

REPLY REQUESTED BY (DATE)

The price of Methylene Chloride as of November 8th will be \$.245/lb., an increase of \$.0125. The delivered price to Eagle River will be as follows:

	Per LB.
MATERIAL COST <i>from .2325 to</i>	\$.24500
<i>.0349</i> FREIGHT (\$.035 -Eg. of \$.02=)	\$.01490
MISC UNLOADING CHARGES	<u>\$.00125</u>
	<i>.01615</i>
TOTAL DEL'D PRICE	\$.26115 $\times .7 = .18281$

VEA

Bill

9-21-79

duPont contract says to invoice Methylene Chloride "at actual cost to Eagle River based upon agreed to consumption rates" of .7 lb/gal. This I had been doing using billing cost of .18281 per gal

Revised exhibit "C", 1-1-79, states we should bill at .1715 per gal. However, I invoiced at actual cost, per contract, which was .18281/gal. *Dave, would you show (me where our actual cost was ever .2612 (.18281 ÷ .7). Byron

Byron issued credit to duPont 3/12/79 for \$1,471.45 "to correct cost of Methylene Chloride billing" and said correct billing price should be .16975/gal (which is .2425 x .7) and which is .00175/gal less than the revised exhibit "C". So I have been invoicing duPont @ .16975/gal

This morn. Bryan gave me a copy of Diamond's 9/13/79 invoice invoicing us at .2575/lb.

Should I increase invoice price to duPont from .16975 to .18025 ?? or what??

$.2575 \times .7$

Dave

Byron - Bill said "yes"
B



INTERNAL CORRESPONDENCE

DATE: April 9, 1980

TO: Distribution

FROM: G. F. Mather

CC: P. Bomar
R. Calvert
G. Gammal
R. Guidi
R. Kirk
E. Munoz
B. Shackelford
M-304-12

SUBJECT: DuPont Unit-West Helena Plant

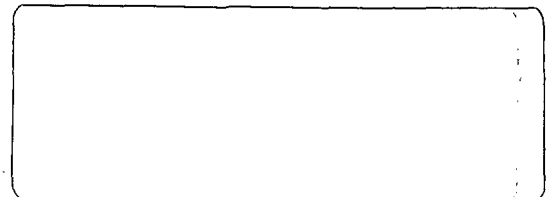
Per telecon of April 9th with Bob De Stefano, Senior Buyer for DuPont:

1. An approval telegram was received from DuPont to proceed with one gallon Lannate formulation and packaging. Approximately 200-300M gallons will be processed at a rate of 100M per month at a fee of \$0.90/gallon. A formal order GH-623791S will be processed as an appendix to the existing Vertac-DuPont contract.

DuPont has indicated that for future formulations, Vertac will receive greater pressure to hold down its price (\$0.90 per gallon versus \$0.75/gallon, 1979).
2. Contract discussions on the extended Vertac-DuPont Lannate agreement are scheduled for April 21st in Wilmington, Delaware.
3. A revised process package for contract manufacture of a new DuPont product in the Lannate Unit is forthcoming. Ray Bergman from DuPont's Beaumont, Texas plant is to contact Vertac and several other candidates in the next several weeks.

:tes

George Mather





E. I. DU PONT DE NEMOURS & COMPANY

INCORPORATED

WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

April 21, 1980

Vertac, Inc.
West Helena Plant
P. O. Box 2648
West Helena, AR 72390

OUR ORDER NO. GH-62379-S

Gentlemen:

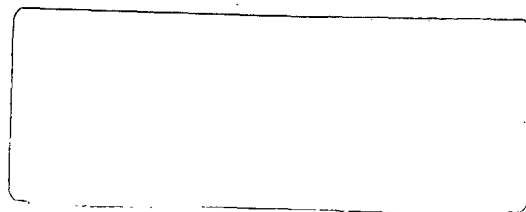
Attached please find in duplicate the subject purchase order.

If this meets with your approval, please sign both copies, retain the original for your files and return the copy to me by May 2, 1980.

Very truly yours,

R. J. DE STEFANO
SENIOR PURCHASING AGENT
CONTRACTING SECTION

/jtm/deh/7715B
REV. 2/1/79
Attachment





April 10, 1980
DATE

GH-62379-S
CONTRACT ORDER NO.

1
ALT. NO. PAGE NO.

SHIP TO: E. I. DU PONT DE NEMOURS & COMPANY

Strang, Texas

Vertac, Inc.
West Helena Plant
P. O. Box 2648
West Helena, Arkansas 72390

Wilmington, Delaware

ISSUING POINT

R. J. De Stefano

ISSUED BY

< To cover cost of producing and packaging approximately 300,000 gallons of Lannate® liquid at Vertac's West Helena, Arkansas plant in accordance with Du Pont's written instruction. Du Pont to supply all ingredients and packaging materials. >

COMPENSATION: As full compensation Contractor shall be reimbursed as follows:

\$ 0.80/gallon each 55-gallon drum

\$ 0.90/gallon each 1 gallon jug

All terms and conditions of our Lannate® contract dated 6/1/75 as amended 4/1/76, 4/20/76, 7/1/76 and 5/10/78 apply except as they pertain to Quantity (2), Compensation (3), Terms of Payment (4), Term of Agreement (1) and Raw Material, Consumption and Losses (14) sections.

YIELD LOSS: Contractor shall use its best efforts to maximize yields and shall ship in accordance with Du Pont's instructions all Lannate® which meets the specifications herein. To the extent possible, Contractor shall rework all off-specification material at its own expense. If during the Contractor's performance hereunder, any of Du Pont's material is actually lost, damaged or destroyed ("Yield Loss") for reasons other than the negligence of Contractor, then Contractor shall be afforded a Yield Loss allowance for up to a maximum of 1.5% based on the weight of the raw materials and a maximum of 3% on *materials furnished by Du Pont. Contractor shall reimburse Du Pont at Du Pont's replacement cost for any Yield Loss caused by the negligence of Contractor and any Yield Loss in excess of maximum Yield Loss. Replacement cost will be mutually agreed upon at the time the loss occurs. Yield Losses and reimbursement, if any, shall be determined quarterly and at the conclusion of this order.

Period of Agreement: Work to be completed by 7/1/80.

* packaging

April 10, 1980

GH-62379-S

DATE

CONTRACT ORDER NO.

ALT. NO. PAGE NO. 2

E. I. DU PONT DE NEMOURS & COMPANY

SHIP TO:

Vertac, Inc.

ISSUING POINT

ISSUED BY

< TERMS OF PAYMENT: Contractor shall invoice Du Pont monthly for the processing and packaging charge on such quantities of finished product as were produced during that month that meets Du Pont's specification & payment shall be made on the basis of Net Thirty (30) days from date of invoice. Mail (4) copies of your invoice to: >

E. I. Du Pont De Nemours and Company
P. O. Box 347
La Porte, Texas 77571

Please signify your acceptance of the above by signing in the space provided below and returning the carbon copy to R. J. De Stefano, E. I. du Pont de Nemours and Company, Energy and Materials Department, Wilmington, DE 19898.

VERTAC, INC.

BY: _____

TITLE: _____

DATE: _____

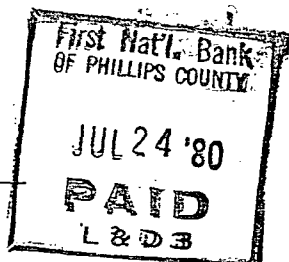
E. I. DU PONT DE NEMOURS AND COMPANY

BY: *[Signature]*

TITLE: CONTRACTING MANAGER

DATE: April 15, 1980

\$ 1,250,000.00



PROMISSORY NOTE

Helena, Arkansas

Sept. 3 19 75

FOR VALUE RECEIVED, the undersigned, or either of us, promise to pay to FIRST NATIONAL BANK OF PHILLIPS COUNTY, Helena, Arkansas or order, the principal sum of One Million Two Hundred Fifty Thousand and no/100 ----- Dollars (\$ 1,250,000.00), with interest from date on said sum or unpaid balance thereof at the rate of Ten percent (10 %) per annum, payable monthly, said principal and interest being payable on an amortization plan of Sixty (60) monthly installments of Twenty-six Thousand Five Hundred Sixty-two and no/100 26,562.00 each, the first being payable on the 15th day of October, 1975, and one installment being payable on the 15th day of each and every successive month thereafter for Fifty-nine (59) months. The makers hereof shall have the privilege of prepayment of said Note by paying only the unpaid principal and accrued interest to the Date of such prepayment. The said principal and interest shall be payable at the First National Bank of Phillips County, 502 Cherry Street, Helena, Arkansas or at such other place as the holder hereof may designate in writing.

If default be made in the payment of any installment under this note, and if the default is not made good prior to the due date of the next such installment, the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

Presentment, protest and notice are hereby waived, and the makers agree to all extensions and partial payments, before or after maturity, without prejudice to the holder.

The makers, signers, endorsers hereof agree that in case payment of this note shall not be made at maturity, and the same is placed in the hands of any attorney for collection, they will pay the costs of collecting this note, including an attorney's fee of ten percent (10%) of principal and interest remaining unpaid.

EAGLE RIVER CHEMICAL CORPORATION
BY: Jerry Williams
President

BY: John B. Buzen
Secretary

*Mailed Originals to
Johnny Nanda 8-1-80*

Collateral: Real Estate Deed of Trust of even date herewith, Assignment, and Security Agreement

Jerry Williams
Jerry Williams personally

James C. Riley (713-471-2771)
to mail me Paid Note - mailed
to him by mistake by Patoy Robbins

Book 532, Page 619
Released 7-28-76

Paid 18,978.00 which overpaid 2000+



ESTABLISHED 1802

E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED

WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

November 13, 1979

C. P. Bomar, Jr., Vice President
Vertac, Inc.
Suite 2414
5100 Poplar Street
Memphis, TN 38137

Dear Mr. Bomar:

Confirming our earlier discussions we hereby notify you that your facility for producing our Lannate® insecticide should be placed on stand-by effective November 15, 1979.

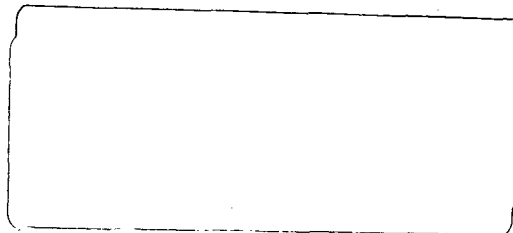
We also wish to notify you that we intend to exercise our sole option to extend our agreement for an additional five-year period subject to renegotiation of mutually satisfactory terms and conditions of the extended agreement.

If you have any questions about this please contact me.

Very truly yours,

R. S. SEIDEL (SI-DEL)
SENIOR PURCHASING AGENT
CONTRACTING SECTION

RSS:jm



To David Shroud

Here's a copy of the
letter we discussed

R. E. Colman

Steve St. Jean (Ext 661)
James O'Reilly - deApost - LoPote
713-471-2771

Pat Roman - Roumary Calvert

Inv. 130. 10/31/79
EOM Third Cost \$25,814.00

Inv 458, 11-29-79
Mid-Mo. Fixed Cost \$25,814.00
(date 11-29-79 but for mid-mo
ended 11-15-79)

Inv. 459 11-29-79
EOM Stand-by Cost \$6,621.50

James says no Lammate was produced
during Nov. making Inv 458 in error
& should be for stand-by cost of \$6,621.50

Pat & Roumary says they rec'd formal notice,
which should be in their "Contract" file,
to go on stand-by 11-15-79. Roumary to
call me back tomorrow (4-15-80) & let
me know who authorized us to go on S.B. 11-15-79
SS

HELENA, ARKANSAS

SECOND REQUEST

LOAN CONFIRMATION REQUEST

Eagle River Chem. Corp.
 P. O. Box 2648
 West Helena, Ark. 72390


Dear Customer:

Our auditors, Reynolds, Bone & Griesbeck, are making an examination of our financial statements. In connection therewith, we ask that you verify the correctness of the information provided below. This request is only for the loan(s) listed below.

Please compare the information with your records and, after noting any differences, sign this confirmation and return directly to our auditors, Reynolds, Bone & Griesbeck, 5100 Poplar Ave., Suite 311, Memphis, Tennessee 38137. A self-addressed envelope is enclosed for your convenience.

Loan Number	Due Date	Balance 12/3/79	Interest Rate	Collateral Held By Bank
2123A	10/15/79	208,333.50	10	signatures

Thank you for your cooperation.

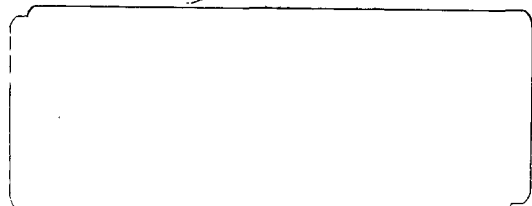


FIRST NATIONAL BANK OF PHILLIPS COUNTY

This information agrees with my records, except: SEE REVERSE SIDE

Jan. 15, 1980
 Date


 Signature



NOTE: THE BALANCE OF \$208,333.50 WAS AMOUNT OWED AT 10-15-79 AND SHOULD HAVE BEEN REDUCED BY THE MONTHLY PAYMENT AMOUNT OF \$20,833.33 ON 11-15-79. HOWEVER, WE ARE ADVISED BY NELA WILSON OF FNB THAT THE 11-15-79 PAYMENT WAS NOT RECEIVED UNTIL 12-17-79. SHE FUTHER STATES THAT THE 12-15-79 PAYMENT WAS RECEIVED 12-20-79 AND THAT THE 1-15-80 PAYMENT WAS RECEIVED 1-7-80. THIS WOULD MAKE THE BALANCE OF \$208,333.50 CORRECT AT 12-3-79 AND THE PRESENT BALANCE AT 1-15-80 IS \$145,833.51.

THESE MONTHLY PAYMENTS ARE MADE DIRECTLY TO FNB BY E.I. DUPONT AND WE HAVE NO RECORD OF WHEN FNB RECEIVES THE PAYMENTS.

B. J. D.

VERTAC, INC.



SUITE 2414 • 5100 POPLAR
MEMPHIS, TN 38137 • 901-767-6851

copy to Byron Dave

INTER-OFFICE CORRESPONDENCE

DATE:
January 11, 1980

TO: Bill Shackelford

FROM: G. F. Mather

SUBJECT: LANNATE CHARGES

REPLY REQUESTED BY (DATE)

Per the terms of the June 1, 1975 Lannate Agreement, Vertac revised its Lannate manufacturing charges effective January 1, 1980 for the period to June 1, 1980. Please note per the attached November 1, 1980 letter from C. P. Bomar to R. S. Seidel of Dupont, that stand-by costs should now be billed at \$16,458 starting in January 1980.

G F Mather

:tes

Attachment

CC: Pat Bomar
Rosemary Calvert
Ray Guidi
Lannate File



VERTAC, INC.



SUITE 2414 • 5100 POPLAR • MEMPHIS, TN 38137 • 901-767-6851

November 1, 1979

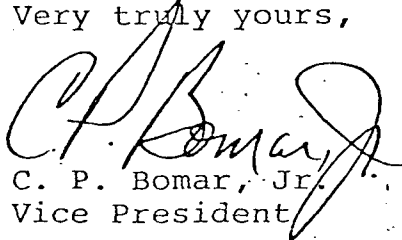
Mr. R. S. Seidel
Energy and Materials Department
E.I. DuPont de Nemours Company, Inc.
Wilmington, Delaware 19898

Dear Dick:

In accordance with the terms of our June 1, 1975 Lannate Agreement as amended, Vertac will revise its Lannate manufacturing charges effective January 1, 1980 per the attached Exhibit C for the period of January 1, 1980 to June 1, 1980. We are, for the moment, not asking to renegotiate the add-on charge, but as we discussed, we may want to address this in the near future.

Vertac is aggressively reviewing the short term and long term Lannate picture in consideration of our mutual interests discussed at last week's meeting, and I will be contacting you to discuss this further in the near future. Meanwhile, if you have any questions regarding the attached Exhibit C, please let me know.

Very truly yours,


C. P. Bomar, Jr.
Vice President

CPB:ts
Attachment
CC: Mr. J. W. Stuart

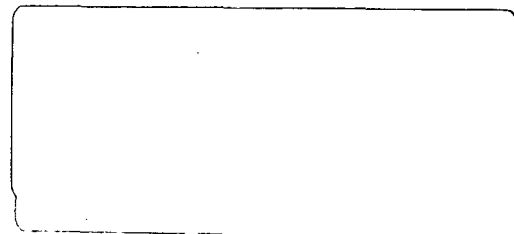


EXHIBIT "C"

For the Period: 1/1/80 - 6/1/80

Manufacturing Cost/Product 10

1,200,000 gallons, year capacity @ 330 day/year operation.

	USAGE PER GALLON	UNIT COST \$	VARIABLE COST/GALLON \$	FIXED COST PER MONTH \$	(1) STAND-BY COST/MON
1. <u>RAW MATERIAL USAGE</u>					
Slurry (as 100% MTAAO)	1.33				
Methyl Isocyanate	0.75				
Methanol	5.25				
Methylene Chloride	0.70	0.2575	0.18025		
2. <u>UTILITIES</u>					
Electricity	1.72 KWH	0.03405	0.05857	1,714	Net Billing
Steam	13.10 lbs.	0.00462	0.06052	886	
Water	4.15 gal.	0.00058	0.00241	208	
Nitrogen	7.55 SCF	0.00380	0.02869	450	450
Natural Gas	876 MSCF (2)	1.7685	-	1,549	
Sub Total			0.015019	4,807	450
3. <u>OPERATING LABOR</u>					
Operating				13,049	
Packaging			0.0960	6,338	
Sub Total			0.0960	19,387	3,280
4. <u>MAINTENANCE</u>					
Repair Labor				5,593	
Maintenance Mat.				5,405	
Maintenance O/H				2,486	
Sub Total			-	13,484	2,832
5. <u>MISCELLANEOUS OPERATING EXPENSE</u>					
Supervision & Clerical				3,927	2,740
Operating Materials			0.01725	1,207	-
Laboratory				6,057	2,398
Shipping & Handling				1,138	-
Sub Total			0.01725	12,329	5,138
6. <u>ADMINISTRATIVE O/H</u>					
Sub Total				8,082	4,758
7. <u>WASTE DISPOSAL</u>					
Sub Total			(3)	-	-
TOTAL			\$ 0.44369	\$ 58,089	\$ 16,458

- (1) For declared six months (min.) period; charge for shorter periods will be negotiated.
- (2) Monthly consumption.
- (3) To be billed at costs from mutually acceptable disposal companies, but not to exceed \$0.28 per gallon of Product 10, including on-site disposal costs at Vertac, West Helena plant.



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

March 10, 1978

Mr. David Stroud
Eagle River Chemical Company
P. O. Box 2648
West Helena, Arkansas 72390

Dear Mr. Stroud:

Your Certificate of Insurance expired on 1/1/78 (copy attached). As of this date, we have not received a copy of your new Certificate. Please mail a copy to my attention as soon as possible.

Very truly yours,

Henry E. Burman
1cc

HENRY E. BURMAN
PURCHASING AGENT
CONTRACTING SECTION
EQUIPMENT & SUPPLIES DIVISION

HEB/es

Attachment

3-13-78

Dear Vernon:

Please mail Mr. Burman's Certificate of Insurance on our Policies GA 996465 and W/C 990829 and Excess umbrella - all effective 1-1-78

Thanks

PS Please mail me copy of transmittal letter
DWS
B

CHEMCO INSURANCE AGENCY, INC.
2500 MCCAIN PLACE, SUITE 201
NORTH LITTLE ROCK, ARKANSAS 72116

NAME AND ADDRESS OF INSURED

EAGLE RIVER CHEMICAL COMPANY
P. O. BOX 2648
WEST HELENA, ARKANSAS 72390

COMPANIES AFFORDING COVERAGE

COMPANY LETTER **A** HOME INDEMNITY COMPANY
COMPANY LETTER **B** LEXINGTON INSURANCE COMPANY
COMPANY LETTER **C**
COMPANY LETTER **D**
COMPANY LETTER **E**

This is to certify that policies of insurance listed below have been issued to the insured named above and are in force at this time.

COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EXPIRATION DATE	Limits of Liability in Thousands (000)		
					EACH OCCURRENCE	AGGREGATE
A	GENERAL LIABILITY					
	<input checked="" type="checkbox"/> COMPREHENSIVE FORM	GA 99 61 95	1/1/78	BODILY INJURY	\$ 500	\$ 500 *
	<input type="checkbox"/> PREMISES OPERATIONS			PROPERTY DAMAGE	\$ 500	\$ 500
	<input type="checkbox"/> EXPLOSION AND TOXIC HAZARD					
	<input type="checkbox"/> LIQUID PNEUMATIC HAZARD					
	<input type="checkbox"/> PRODUCT-SUMMITTELI OPERATIONS HAZARD	GA 99 61 95	1/1/78	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$	\$
	<input checked="" type="checkbox"/> CONTRACTUAL INSURANCE					
	<input type="checkbox"/> BODILY INJURY PROPERTY DAMAGE					
	<input type="checkbox"/> INDEPENDENT CONTRACTORS					
	<input type="checkbox"/> PERSONAL INJURY					
	AUTOMOBILE LIABILITY					
	<input type="checkbox"/> LIABILITY (FLOOD)					
	<input type="checkbox"/> AUTO					
	<input type="checkbox"/> TRUCK					
	<input type="checkbox"/> NON-OWNED					
B	EXCESS LIABILITY	5001770	1/1/78			
	<input checked="" type="checkbox"/> BODILY INJURY			BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$ 1,000,000.	
A	WORKERS' COMPENSATION and EMPLOYERS' LIABILITY	WC 99 03 39	1/1/78			
	OTHER				\$ 100,000 (IN ACCIDENT)	

DESCRIPTION OF OPERATIONS LOCATIONS/VEHICLES

Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

E. I. Du Pont De Nemours & Co., Inc.
Wilmington, Delaware 19898

DATE ISSUED 8/29/77
CHEMCO INSURANCE AGENCY, INC.

AUTHORIZED REPRESENTATIVE

VERTAC, INC.



SUITE 2414 • 5100 POPLAR
MEMPHIS, TN 38137 • 901-767-6851

copy for
Byron
Dave
Homer
Jeff
Joe

INTER-OFFICE CORRESPONDENCE

George m

DATE

January 9, 1979

TO

J. W. Shackelford

FROM

C. P. Bomar

SUBJECT

REPLY REQUESTED BY (DATE)

Bill, this is just a reminder that we have escalated our charges to DuPont for the Lannate production in accordance with our contract. Attached is a copy of Exhibit C outlining the new billing rate.

While DuPont originally indicated some degree of argument about the revised billing, we have heard nothing further on this; therefore, you should proceed to use revised Exhibit C.

CPB

/ts

cc: G. B. Gammal
R. A. Guidi
G. F. Mather
E. A. Munoz

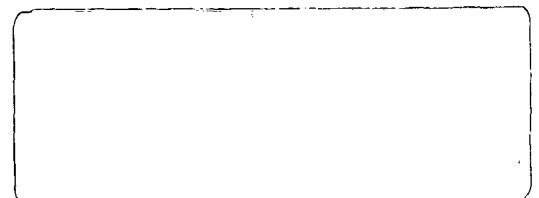


EXHIBIT "C"

For the Period: 1/1/79 - 6/30/79

Manufacturing Cost/Product 10

1,200,000 gallons, year capacity @ 330 day/year operation

	USAGE PER GALLON	UNIT COST \$	VARIABLE COST/GALLON \$	FIXED COST PER MONTH \$	(1) STAND-B COST/MON
1. <u>RAW MATERIAL USAGE</u>					
Slurry (as 100% MTAAO)	1.33	-			
Methyl Isocyanate	0.75	-			
Methanol	5.25	-			
Methylene Chloride	0.70	0.2450	0.1715		
2. <u>UTILITIES</u>					
Electricity	1.72KWH	0.03161	0.05437	1,530	Net Bill
Steam	13.10 lbs.	0.00373	0.04886	826	
Water	4.15 gal.	0.00058	0.00241	208	
Nitrogen	7.55 SCF	0.00395	0.02982	450	450
Natural Gas	876 MSCF (2)	1.31200	-	1,149	
Sub Total			0.13546	4,163	450
3. <u>OPERATING LABOR</u>					
Operating				11,902	
Packaging			0.08800	5,808	
Sub Total			0.08800	17,710	2,555
4. <u>MAINTENANCE</u>					
Repair Labor				4,950	
Maintenance Mat.				4,700	
Maintenance O/H				2,200	
Sub Total			-	11,850	2,100
5. <u>MISCELLANEOUS OPERATING EXPENSE</u>					
Supervision & Clerical				3,475	2,100
Operating Materials			0.01500	1,050	-
Laboratory				5,250	1,838
Shipping & Handling				990	
Sub Total			0.01500	10,765	3,938
6. <u>ADMINISTRATIVE O/H</u>					
Sub Total			-	7,140	4,200
7. <u>WASTE DISPOSAL</u>			(3)	-	-
Sub Total					
TOTAL			0.40996	\$51,628	\$13,243

- (1) For declared six months (min.) period; charge for shorter periods will be negotiated.
 (2) Monthly consumption.
 (3) To be billed at costs from mutually acceptable disposal companies, but not to exceed \$0.28 per gallon of Product 10, including on-site disposal costs at Eagle River.

4/14/79
11-15-79

BASIS FOR EXHIBIT C1

Kan. 11/5
4-18-76

11/5
8A
4/25

I. DESIGN CAPACITY OF PLANT IS NOW
1,200,000 GAL/YR AS PER CASE I
LANNATE EXPANSION

II. EXHIBIT C1

I. RAW MATERIALS

	<u>V.U.C.</u>
A. Slurry (as 100% MTAAO)	1.33
B. MIC	0.76
C. MeOH	5.25
D. $MeCl_2$	1.10

① Unit consumption of materials supplied by DuPont are those given as reasonable by J. Bogia & D. Baugh in their claim for over-consumption. While actual consumptions are higher than this, Eagle River will agree with these limits for the quarter, April May & June, 1976.

② $MeCl_2$ consumption is a estimate based on the presumption that the vent condenser installed during the recent TAR will reduce $MeCl_2$ overconsumption by ~90%.
Unit cost = $1.1 \text{ \$/GAL} \times 0.1875 / 15 = 0.2063 \text{ \$/lb}$

2. Utilities

	V.C.	F.C.
A. Electricity	.05	.015
B. Steam	.04	.0074
C. Water	.0022	.0010
D. N ₂	.019	.0045
E. Natural Gas	—	.0070

① Electricity

Fixed cost = 50% of theoretical cost for fixed electrical users (150 HP)
Variable cost reflects actual costs less fixed cost above.

② Steam

Fixed cost reflects increase of estimated usage from 6.61 to 12.9 #/GAL
An additional 300 HP boiler has been installed since Lannate start-up to improve steam reliability
Variable cost reflects increased estimated usage noted above & also corrects for increased steam cost.

③ Water

Variable cost same as Exhibit C.
Fixed cost reflects actual costs
less variable cost.

④ N_2

Fixed cost is same as Item 4
(N_2 system rental) in Exhibit C.
Variable cost is based on estimated
usage of 10,000 SCF per batch.

⑤ Natural Gas

Fixed cost based on 1200 SCFH
consumption in flare.

3 Operating labor

A. Operations

- | | | |
|--------------------------------|---|---------|
| 1. Lead operator - | $720 \text{ hr/mo} \times \$6.00/\text{hr}$ | = 4320 |
| 2. Operator - | $720 \text{ hr/mo} \times \$4.60/\text{hr}$ | = 3312 |
| 3. Truck unload - | $360 \text{ hr/mo} \times \$4.60/\text{hr}$ | = 1656 |
| | | <hr/> |
| | | \$ 9288 |
| 4. 5.5% for O.T. & shower time | | 512 |
| | | <hr/> |
| | | \$ 9800 |

4.
JH

B. Packaging labor - filling 1 gal - ~~4200~~ gal/d

$$\begin{array}{rcl} 8 \text{ men} \times 10 \text{ hr/day} \times 4.06 \text{ /hr} \times \overbrace{4 \frac{1}{3} \times 5}^{21.65} & = & 7032 \\ 2 \text{ men} \times 10 \text{ hr/day} \times 5.32 \times 21.65 & = & \underline{2304} \\ & & 9336 \end{array}$$

Assume ~5% fixed cost = \$4800

Variable cost is based on recovery of actual costs less fixed cost above.

4 Nitrogen System Rental

Included in fixed cost for N_2 (20)

5 Maintenance

Total of \$12,000 / mo per direction of Ray Guidi @ Wilmington meeting. Apportioned per 50 Mile experience.

6 Misc. Operating Expense

A. Supervision & clerical - includes ~~sup.~~ supt., dedicated day supt., shift supt., prod. clerk, accounting & office clerical

\$6100

5/8
B. Operating materials - includes Aldor 1052 \$155
- \$150, Tide & bleach - \$80, safety supplies - \$300,
hoses - \$370, office supplies - \$50

C. Laboratory - includes technicians - \$3500 \$5000
(25.1 hr/d), supervision - \$900,
reagents - \$400, equipment - \$200

D. Shipping & handling - includes misc. \$400
warehousing & transport of pkg
materials.

7 Administrative overhead

\$8000

Based on actual costs. Includes
plant manager, engineering, legal
~~audit~~ audit, and others

8 Waste Disposal

Variable cost based on actual
cost as previously presented

EXHIBIT 'C'

SLURRY WITH ~~1978~~ 1979 INCREASE

10/22/79

MANUFACTURING COST/PRODUCT 10

1,200,000 GALLONS, YEAR CAPACITY @ 330 DAY/YEAR OPERATION

	USAGE PER GALLON	UNIT COST \$	VARIABLE COST/GALLON \$	FIXED COST PER MONTH \$	(1) STANDARD COST/M
<u>RAW MATERIAL USAGE</u>					
SLURRY (AS 100% MTAAO)	1.33				
METHYL ISOCYANATE	0.75				
METHANOL	5.25				
METHYLENE CHLORIDE	0.70	0.2575	0.18025		
<u>UTILITIES</u>					
ELECTRICITY	1.72 KWH	0.03405	0.05857	1,714	
STEAM	13.10/LBS	0.00462	0.06052	886	
WATER	4.15/GAL	0.00058	0.00241	208	
NITROGEN	7.55 SCF	0.00380	0.02869	450	
NATURAL GAS	876 MSCF (2)	1.7685		1,549	
SUB TOTAL			0.15019	4,747	450
<u>OPERATING LABOR</u>					
OPERATING				13,049	
PACKAGING			0.0960	6,338	
SUB TOTAL			0.0960	19,387	2,772
<u>MAINTENANCE</u>					
REPAIR LABOR				5,593	
MAINTENANCE MAT.				5,405	
MAINTENANCE O/H				2,486	
SUB TOTAL			0	13,484	2,310
<u>MISCELLANEOUS OPERATING EXPENSE</u>					
SUPERVISION & CLERICAL				3,927	
OPERATING MATERIALS			0.01725	1,207	
LABORATORY				6,057	
SHIPPING & HANDLING				1,138	
SUB TOTAL			0.01725	12,329	4,313
<u>ADMINISTRATIVE O/H</u>					
SUB TOTAL				8,082	4,620
<u>WASTE DISPOSAL</u>					
SUB TOTAL			(3)	—	—
TOTAL			0.44369	58,029	14,465

- 1) FOR DECLARED SIX MONTHS (MIN.) PERIOD; CHARGE FOR SHORTER PERIODS WILL BE NEGOTIATED.
- 2) MONTHLY CONSUMPTION.
- 3) TO BE BILLED AT COSTS FROM MUTUALLY ACCEPTABLE DISPOSAL COMPANIES, BUT NOT TO EXCEED \$0.28 PER GALLON OF PRODUCT 10, INCLUDING ON-SITE DISPOSAL COSTS AT VERTAC, WEST HELENA PLANT

SALARY

Prior to
LAST INCREASE

10-31-79

Production

R. Johns	10-31-77 336.77 / 5-15-78 - 355.77 / -	403.85 (12-1-78)
L. Duncan	307.69 (5-22-78)	346.15 (1-1-79)
G. Rich	307.69 (11-28-77)	346.15 (1-1-79)
A. Seeman	311.58 (11-28-77)	350.00 (1-1-79)
B. Vallun	321.15 (10-31-77)	350.00 (1-1-79)

Lab.

G. Satterfield	288.46 (5-15-78)	336.54 (12-1-78)
L. Conaway	<u>1833.33</u> (10-31-77)	<u>2083.33</u> mo. (11-78)
	3725.67	4216.02 + 13.16%

1-1-79

Production Clerk - Hourly

Floy Williams

6.30

6.90 + 9.52%

Production Operators

	1-1-79	10-31-79
<u>Lead</u>		
J. Griffin	6.10	6.70
R. Hall	6.20	6.80
D. Walker	6.30	6.90
N. Rowan	<u>6.30</u>	<u>6.90</u>
	24.90	27.30 + 9.64%
<u>Operators</u>		
S. Herrington	5.02	5.85
R. Zink	3.98	5.43
D. Mason	5.41	5.95
F. Peppers	<u>4.63</u>	<u>5.75</u>
	19.04	22.98 + 20.69%

Maintenance

1-1-79

10-31-79

Lead mechanic

D. Gregory

8.39

8.89

R. Ray

6.00

7.19

Mechanics

R. Jones

6.40

7.00

J. Wells

6.30

6.90

J. Forthman

6.30

6.90

K. Sellers

6.30

6.90

T. Leslie

6.20

6.80

B. Whitted

6.20

6.80

L. Cobson

6.20

6.80

S. Fonzie

3.98

4.82

G. McGaugh

6.30

6.80

J. Muffoletto

1-26-79

3.34

4.72

W. McGrew

1-29-79

3.34

4.72

P. Jones

9-26-79

5.65

5.65

S. Hawkins

3.98

5.75

B. Hawkins

6.30

6.90

B. Cavette

6.30

6.90

P. Dunacan

6.20

6.80

103.68117.24 +13.08%

Lab

1-1-79

10-31-79

Lead Tech.

J. Bryant

5.91

6.50

K. Fairchild

5.81

6.50

D. Kummer

5.81

6.50

C. Lee

5.71

6.40

Techs

K. Pickett

4.92

5.43

M. Anderson

4.92

5.43

G. Hill

(2-14-79) 4.35

5.33

M. Carlow

(8-20-79) 4.72

4.72

42.15

46.81 + 11.06%

Packaging

1-1-79

10-31-79

Lead Shipper

D. Williams

5.81

6.50

Shippers

C. Hughes

4.26

4.58

R. Mitchell

4.06

4.48

J. Thomas

4.06

4.48

L. Johnson

4.06

4.38

J. Williams

4.16

4.58

W. Mitchell

3.58

4.05

L. Allen (T)

1-26-79 3.34

3.65

L. Henry (T)

4-18-79 3.34

3.65

W. Ridge (T)

8-20-79 3.653.65

40.32

44.00 + 9.13%



ESTABLISHED 1802

E. I. DU PONT DE NEMOURS & COMPANY

INCORPORATED

WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

November 18, 1975

Mr. William H. Brandon
First National Bank of Phillips County
P. O. Box 160
Helena, Arkansas 72342

Dear Mr. Brandon:

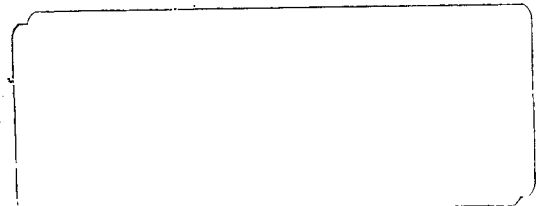
We understand that Eagle River Chemical Corporation has borrowed \$1,250,000 from your bank for the purpose of purchasing equipment under Paragraph 3 of the Agreement of June 1, 1975 between E. I. Du Pont De Nemours and Company and Eagle River Chemical Corporation for the manufacture of Lannate® L methomyl for Du Pont. The identity of this equipment is specified in Exhibit "E" to the Agreement.

In connection with your loan for this equipment, you have asked Du Pont to agree to pay directly to your bank and not to Eagle River such amortization payments as Paragraph 3 of the Agreement requires us to pay Eagle River. Each payment shall be one-sixtieth (1/60) of \$1,250,000 (\$20,833.33) plus applicable interest at a rate equal to the lowest prime lending rate of lending institutions in the area of West Helena, Arkansas or ten percent (10%) per annum, whichever is lower. Eagle River has agreed to such an arrangement and has so indicated by signing below.

Should the Agreement be terminated by either Du Pont or Eagle River, Du Pont will pay to the First National Bank of Phillips County such amounts (if anything) as Paragraph 3 would require Du Pont to pay Eagle River.

Du Pont hereby agrees to make said amortization payment directly to your bank subject to the understanding that except as modified hereby, our Agreement with Eagle River remains in full force and effect in accordance with its terms.

Assuming this meets with your approval, will you kindly sign all three copies, retain the original, send the first copy to John C.



There's a world of things we're doing something about

Bumpers, Eagle River Chemical Corporation and return the copy marked "WILM. E&M DEPT. COPY" to my attention as promptly as possible.

Very truly yours,

E. I. DU PONT DE NEMOURS AND COMPANY

BY

H. E. May

TITLE

DIRECTOR — PURCHASING

DATE

Nov. 14, 1975

HJR

EAGLE RIVER CHEMICAL CORPORATION

BY

John Bumpers

TITLE

Sec/Treas

DATE

November 7, 1975

FIRST NATIONAL BANK OF PHILLIPS COUNTY

BY

W. H. K. Kinsler

TITLE

President

DATE

November 4, 1975

MANUFACTURING COST/PRODUCT 10
1,200,000 GALS/YEAR CAPACITY @ 330 DAYS/YEAR OPERATION

Revised 6-29-71
R.T.

	<u>MAX. USAGE PER GALLON</u>	<u>VARIABLE COST/GALLON</u>	<u>MAXIMUM COST FIXED PER MONTH</u>	<u>STAND-BY COST/MONTH</u>
<u>Raw Material Usage</u>				
Slurry (as 100% PTAAO)	1.33	--	--	
Methyl Isocyanate	0.75	--	--	
Methanol	5.25	--	--	
Methylene Cl ₂	0.70 (1)	6.1313 (1)	--	
<u>Utilities</u>				
Electricity		\$0.05	\$1,500	
Steam		0.023	740	
Water		0.0022	100	
Nitrogen		0.019	450	
Natural Gas		--	700	
Sub Total		\$0.0942 ✓	\$3,490	\$450
<u>Operating Labor</u>				
Operating		--	\$ 9,800	
Packaging		\$0.08	4,800	
Sub Total		\$0.08 ✓	\$14,600	\$2,433 (2)
<u>Maintenance</u>				
Repair Labor		--	\$ 4,500	
Maintenance Materials		--	4,500	
Maintenance Overhead		--	2,000	
Sub Total		--	\$11,000	\$2,000
<u>Miscellaneous Operating Expenses</u>				
Supervision & Clerical		--	\$3,000	\$2,000
Operating Materials		\$0.0055	1,000	
Laboratory		--	5,000	1,750
Shipping & Handling		--	400	
Sub Total		\$0.0055 ✓	\$9,400	\$3,750
<u>Administrative Overhead</u>				
Sub Total		--	\$6,800	\$4,000
<u>Waste Disposal</u>				
Sub Total		\$0.23 ✓	--	--
<u>TOTAL</u>	<u>0.5910</u>	<u>\$0.4457</u>	<u>\$45,290</u>	<u>\$12,833</u>

- 1) 1.10 - Month of April
0.90 - Month of May
0.70 - Month of June (will remain at this level provided significant additional investment is not required)

2) One time charge for stand-by

(3) Based on \$0.1875/lbs purchase price

Eagle River Chemical Corp.

Highway 242

WEST HELENA, ARKANSAS 72390

VARIABLE COST

MONTH	TOTAL GALLONS BILLED	VARIABLE COST BILLED	VARIABLE COST SHOULD BE BILLED	DIFFERENCE	TOTAL
APRIL	33325	(.2526)	.5910	.33	10,997.25
MAY	81521	(.2526)	.5910	.33	26,901.93
JUNE	50976	(.2526)	.5910	.33	16,822.08 *
	165822	(.2526)	.5910	.33	54,721.26

FIXED COST

MONTH	FIXED COST BILLED	FIXED COST SHOULD BE BILLED	DIFFERENCE
APRIL	(46,283.15)	45,290.00	(993.15)
MAY	(46,282.60)	45,290.00	(992.60)
JUNE	(23,141.30)	22,645.00	(496.30) *(2,482.05)

ADDITIONAL BILLING

52,239.21

* JUNE COST BASED ON MID-MONTH BILLING. JUNE END OF MONTH BILLING WILL
BE BASED ON NEW EXHIBIT C.

Eagle River Chemical Corp.

Highway 242

WEST HELENA, ARKANSAS 72390

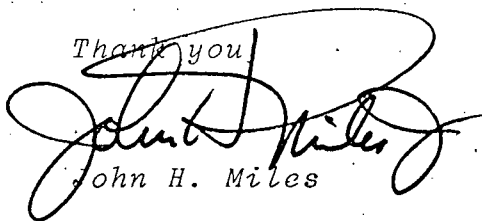
June 29, 1976

MR. M.E. STEVENS
PRODUCTION SUPERINTENDENT
E.I. DU PONT
P.O. BOX 347
LA PORTE, TEXAS 77571

REFERENCE: A.G. ROHRER LETTER OF 6/23/76,
LIQUID CHROMATOGRAPH IMPROVEMENTS

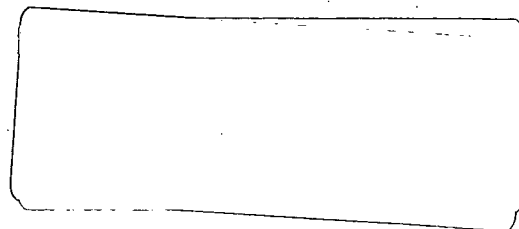
Eagle River agrees with Du Pont's proposal to pay half the cost of modifying one LC. We will purchase the necessary equipment and then bill Du Pont for 50% of the total installed cost (Estimated total cost - \$4M). Please send your purchase order to cover your portion to Mike McKellar at Eagle River.

Thank you


John H. Miles

JHM:rvk

cc: J.W. Shackelford
Larry Conaway
✓Mike McKellar
Bob Fabian
H. E. Burman du Pont, Wilmington
A. G. Rohrer du Pont, La Porte





DATE: JUNE 28, 1976

TO: BILL SHACKELFORD

FROM: BOB FABIAN

SUBJECT: PRODUCT 10 COSTS & TECHNICAL PROGRAM

REPLY REQUESTED BY (DATE)

This memo is to firm up a program for getting Product 10 cost situation in better shape and re-opening Exhibit C effective July 1.

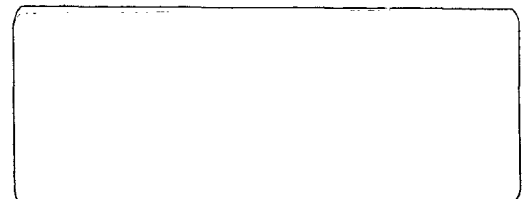
- (1) Dee Baugh will be visiting with Mike McKellar on June 30 to review the cost accounting program at Eagle River. I don't plan to be at the plant but Dan Palmer may want to sit in on this review. Dee will be looking to see how we have implemented the program we discussed with DuPont on April 1 and what some of the key manufacturing cost elements have been during the second quarter.
- (2) I have asked John Miles to develop an Exhibit C-2 which we will propose to become effective on July 1. We should be prepared to defend all cost elements which we know DuPont will consider to be too high, e.g. maintenance, packaging, overheads, etc. Also, raw material usages may have to be adjusted again, specifically $MeCl_2$ if we feel we can't meet the 0.7 lbs./lbs. product. It would be desirable to have this revised exhibit by July 2.
- (3) Frank Maderich, Hank Burman and several LaPorte people want to visit Eagle River on July 8 to review all cost areas and specifically waste treatment, maintenance, and raw material usages. I agreed tentatively to this date and told Frank that I would be there, and possibly also Ray. At this meeting, we should present an Exhibit C-2 for the 3rd quarter and decide what basis will be used for the so-called "maximum" limits.

We will have an approved, revised Exhibit C-1 for the 2nd quarter by June 29. Hopefully, our "end-of-June" invoice can be on a current basis and we can collect the outstanding monies for the 2nd quarter.


BOB FABIAN

/et

CC: Ray Guidi
Dan Palmer
John Miles
✓ Mike McKellar





VERTAC CONSOLIDATED

NOV 23 1976

RECEIVED

E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

November 24, 1976

MR. JOHN O'NEILL
EAGLE RIVER CHEMICAL CORPORATION
C/O VERTAC CONSOLIDATED
5100 POPLAR - SUITE 2414
MEMPHIS, TENNESSEE 38137

Dear Mr. O'Neill:

Attached for your review is a draft of an amendment to our June 1, 1975 agreement that should cover the various changes we have discussed over the past several months.

Please let me know your comments.

Very truly yours,

HENRY E. BURMAN
PURCHASING AGENT
CONTRACTING SECTION
EQUIPMENT AND SUPPLIES DIVISION

HEB/pjj
Attachment

DRAFT
11/24/76

E. I. DU PONT DE NEMOURS & COMPANY

INCORPORATED

WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

MR. JOHN J. O'NEILL
EAGLE RIVER CHEMICAL CORPORATION
C/O VERTAC CONSOLIDATED
5100 POPLAR - SUITE 2414
MEMPHIS, TENNESSEE 38137

Dear Mr. O'Neill:

Reference is made to the Agreement between our two companies dated June 1, 1975 (hereinafter Agreement) relative to the manufacture of Lannate® L Methomyl. It is hereby mutually agreed to amend the aforesaid Agreement in the following manner effective July 1, 1976.

3. COMPENSATION - Delete this Article in its entirety and in lieu thereof insert the following:

3. COMPENSATION

A. Manufacturing Costs - The manufacturing costs for Product 10 are summarized in Exhibit "C", attached hereto and made a part hereof. All units of consumption (usage per gallon) including number of operators are fixed for the period of Agreement. It is agreed that EAGLE RIVER may adjust costs as follows:

1. Methylene Chloride - Invoiced monthly at actual cost to EAGLE RIVER based on agreed to consumption rates.

2. Utilities & Operating Labor - Costs may be adjusted each January 1 or July 1 on sixty (60) days' prior written notice to reflect actual increases or decreases in costs.

3. All Other Items - May be adjusted every twelve (12) months, effective July 1, based on actual increases or decreases in costs provided sixty (60) days' prior written notice of the adjustment is given to DU PONT.

If EAGLE RIVER's facilities are shut down at DU PONT's direction, DU PONT agrees to pay EAGLE RIVER as total compensation reasonable stand-by charges, which will be established by mutual agreement within thirty (30) days following the

first ninety (90) days of operation. An estimate of such charges is summarized in Exhibit "C". It is understood that EAGLE RIVER will stand ready to operate the facilities 330 days per year with 35 days downtime for plant maintenance and repair. However, if EAGLE RIVER's facilities are unavailable for Product 10 production for less than 330 days per year for any cause not directly attributable to DU PONT, then DU PONT will not pay EAGLE RIVER any charges for any days less than 330 days per year that EAGLE RIVER is unable to produce Product 10.

It is anticipated but not guaranteed that DU PONT will require EAGLE RIVER's services to manufacture Product 10 under this Agreement for a period of approximately 24 to 36 months. During the term of this Agreement, EAGLE RIVER agrees to manufacture other products for DU PONT for a mutually agreed upon compensation or maintain the facility on a stand-by basis until such time as DU PONT notifies EAGLE RIVER in writing that no further manufacturing will be required. DU PONT will continue to make amortization payments as defined herein until all such payments have been made or the Agreement is terminated as provided in Article 5. TERM OF AGREEMENT.

B. Amortization Payments - DU PONT agrees to amortize a portion of the cost of EAGLE RIVER's facility as defined in Exhibit "E", as amended, attached hereto and made a part hereof, including the cost of associated equipment and the installation thereof. The amounts to be amortized shall be:

1. \$1,250,000 - DU PONT will amortize said sum over a period of five (5) years, payable in sixty (60) successive monthly installments with first payment made September 1975. Monthly payments shall be equal to an amount sufficient to amortize a note of \$1,250,000 bearing interest at a rate equal to the prime interest rate charged by the First National Bank of Phillips County, Helena, Arkansas, or ten (10) percent per annum, whichever is lower. Each installment shall be one-sixtieth (1/60) of \$1,250,000 plus applicable interest on the unamortized balance. DU PONT will have the option to pay the unamortized balance at any time without charge for accelerating payments. DU PONT acknowledges and has agreed to EAGLE RIVER assigning its rights to said amortization payments as security for a loan to finance the construction herein covered.

*effective
7-1-76?*

draft

DRAFT
11/24/76

2. \$72,000 - DU PONT agrees to pay directly to EAGLE RIVER an amount not to exceed seventy-two thousand dollars (\$72,000) for additional equipment that will increase EAGLE RIVER's capacity to 1.2 million gallons of Product 10 per year. DU PONT will pay the \$72,000 over a two (2) year period in twenty-four (24) equal monthly payments. First payment was made in June 1976. *Right*

\$3000/mo.

C. Add-On Charge - In addition to all other costs, DU PONT agrees to pay EAGLE RIVER an add-on charge of \$0.50 per gallon for the first one (1) million gallons of Product 10 produced in any contract year and \$0.25 per gallon for every gallon of Product 10 produced over the initial one (1) million gallons in any contract year. The add-on charges are firm until July 1, 1977. Thereafter, either party may request annually to renegotiate the add-on charges with thirty (30) days' prior written notice.

All other terms and conditions remain the same.

Please signify your acceptance of the above by signing in the space provided below and returning the copy marked "WILM. E&M DEPT. COPY" to H. E. Burman.

Very truly yours,

E. I. DU PONT DE NEMOURS AND COMPANY

BY _____

TITLE _____

DATE _____

ACCEPTED:

VERTAC CONSOLIDATED

BY _____

TITLE _____

DATE _____

get Bill Brantley and my
 acct. of amt due EA by
 subscr. for amount of 10%
 R free fund cost of
 24,288.00 semi mo.
 22,645.00
 1,643.00 semi mo. additional

		Variable		Fixed	
		GAL.	DOLLARS	DOLLARS	
Invoice					
1	July 15	2387	45865	5003872	
2	15	2389			2264500
3	28	2392	26460	2886786	
4	28	2394			2264500
5	Aug 13	2409	32184	3511274	
6	13	2411			2264500
7	27	2421	41556	4533760	
8	27	2422			2264500
9	Sep 15	2438			2264500
10	15	2439	49125	5359538	
11	28	2445			2264500
12	28	2446	46116	5031256	
13	Oct 15	2460			2264500
14	15	2461	24732	2698261	
15	28	2471			2264500
16	28	2473	19764	2156252	
17	Nov 15	2495	44153	4817092	
18	15	2496			2264500
19	30	2513	39256	4282830	
20	30	2514			2264500
21			369211	40280921	2264500
22					
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40					

EFFECTIVE JULY 1, 1976

EXHIBIT "C"

Manufacturing Cost/Product 10

1,200,000 gallons/year capacity @ 330 day/year operation

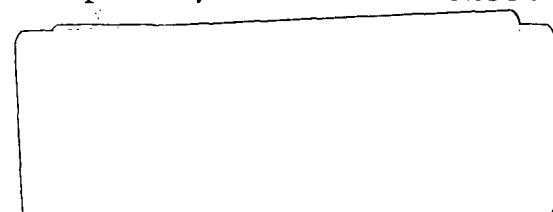
	USAGE PER GALLON	UNIT COST \$	VARIABLE COST/GALLON \$	FIXED COST PER MONTH \$	(1) STAND-BY COST/MONTH \$
1. <u>RAW MATERIAL USAGE</u>					
Slurry (as 100% MTAAO)	1.33	-			
Methyl Isocyanate	0.75	-			
Methanol	5.25	-			
Methylene Chloride	0.70(2)	0.1975	0.13825		
2. <u>UTILITIES</u>					
Electricity	1.72 KWH	0.02900	0.04988	1,500	Net Billing
Steam	13.10 lbs.	0.00175	0.02293	740	
Water	4.15 gal.	0.00053	0.00220	200	
Nitrogen	7.55 SCF	0.00367	0.02771	450	450
Natural Gas	876 MSCF(3)	0.81000	-	710	
Sub Total			0.10272	3,600	450
3. <u>OPERATING LABOR</u>					
Operating			-	10,305	
Packaging			0.08000	4,800	
Sub Total			0.08000	15,105	2,555
4. <u>MAINTENANCE</u>					
Repair Labor				4,500	
Maintenance Mat.				4,500	
Maintenance O/H				2,000	
Sub Total			-	11,000	2,100
5. <u>MISCELLANEOUS OPERATING EXPENSE</u>					
Supervision & Clerical				3,150	2,100
Operating Materials			0.00550	1,050	-
Laboratory				5,250	1,838
Shipping & Handling				900	
Sub Total			0.00550	11,731	3,938
6. <u>ADMINISTRATIVE O/H</u>					
Sub Total			-	7,140	4,200
7. <u>WASTE DISPOSAL</u>					
Sub Total			(4)	-	-
TOTAL			\$0.32647	\$48,576	\$13,243

or Semi Mo
Billing
24,288.00

add on .50
1.02647
1.17
996.07
January 1.0910

- (1) For declared six months (min.) period; charge for shorter periods will be negotiated.
- (2) Subject to retroactive adjustment to 7/1/76 upon establishing consumption by material balance.
- (3) Monthly consumption.
- (4) To be billed at cost from mutually acceptable disposal companies, but not to exceed \$0.28 per gallon of Product 10.

actual cost about 17¢/gal.



EAGLE RIVER CHEMICAL CORPORATION

P. O. BOX 2648

WEST HELENA, ARKANSAS 72390

Phone: (501) 572-3701

INVOICEN^o 2513

INVOICE DATE November 20, 1976

FACTORY NO.

SALESMAN

TERMS

F. O. B.

SHIPPED TO

CUSTOMER'S
ORDER NO.SOLD
TO

E. I. duPont de Nemours & Company
P. O. Box 347
La Porte, Texas 77571
ATTN: D. S. Baugh

SHIPPED VIA

DATE SHIPPED

✓	QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
		End of November variable cost billing for Product 10 shipped to blackhawk Ware- house.		
		Methylene Chloride 39,256	\$.1313	\$ 5,154.31
		Utilities 39,256	.0942	3,697.92
		Operating Labor 39,256	.0800	3,140.48
		Expenses 39,256	.0055	215.91
		Waste Disposal 39,256	.2800	10,991.68
		Add on Charge 39,256	.5000	19,628.00
			<u>\$1.0970</u>	<u>\$42,828.30</u>
				\$42,828.30

The goods specified herein were produced in compliance with the
requirements of the Fair Labor Standards Act of 1938 as amended.

STANDARD FORM 4451-A
MATTICK BUSINESS FORMS
WHEELING, ILL.

TRIPLICATE COPY

EAGLE RIVER CHEMICAL CORPORATION

P. O. BOX 2648

WEST HELENA, ARKANSAS 72390

Phone: (501) 572-3701

INVOICE No 2514

INVOICE DATE November 30, 1970

FACTORY NO.

SALESMAN

TERMS

F. O. B.

SHIPPED TO

CUSTOMER'S
ORDER NO.SOLD
TOE. I. duPont de Nemours
P. O. Box 347
La Porte, Texas 77571
ATTN: Mr. D. S. Baugh

SHIPPED VIA

DATE SHIPPED

✓	QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
		End of November fixed cost billing		\$22,645.00
		<i>24,288.00</i>		
		<i>Dr. 0510</i> <i>Cr. 5035</i>		
		TOTAL		\$22,645.00

The goods specified herein were produced in compliance with the requirements of the Fair Labor Standards Act of 1938 as amended.

STANDARD FORM 4451-A
MATTICK BUSINESS FORMS
WHEELING, ILL.

TRIPLICATE COPY



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED

HOUSTON PLANT

P. O. BOX 347, LA PORTE, TEXAS 77571

BIOCHEMICALS DEPARTMENT

June 1, 1979

Copy to
Byron
Dave
Homer
Larry
Richard
Jeff

Mr. Pat Bomar
Vertac Consolidated
5100 Poplar Street - Suite 2414
Memphis, Tennessee 38137

PRODUCT 10 PRODUCTION FORECAST

Dear Mr. Bomar:

In accordance with Article 2. QUANTITY of the agreement between Du Pont and Eagle River, it is estimated, but not guaranteed, that Du Pont will have Eagle River produce the following amounts of Product 10 during the indicated periods:

<u>PERIOD</u>	<u>GALLONS</u>
July - 1979	100,000
August - 1979	100,000
September - 1979	100,000
4th Qtr. - 1979	260,000
1st Qtr. - 1980	240,000
2nd Qtr. - 1980	240,000
TOTAL	1,040,000

Congratulations on your record production in May!

We have told the plant that they will be down about two weeks this month due to our annual shutdown.

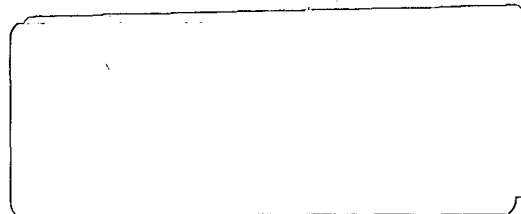
After our peak season ends in October, we will need to evaluate what production levels are needed for you during our low sales period.

Very truly yours,

M. E. Stevens

Production Superintendent

MES:mc





DEC 5 1977

copy #

Byron
Beth
George
Dave

E. I. DU PONT DE NEMOURS & COMPANY

INCORPORATED

HOUSTON PLANT

P. O. Box 347, LA PORTE, TEXAS 77571

BIOCHEMICALS DEPARTMENT

December 1, 1977

Mr. Pat Bomar
Vertac Consolidated
Suite 2414
5100 Poplar Street
Memphis, Tennessee 38137

PRODUCT 10 PRODUCTION FORECAST

Dear Mr. Bomar:

In accordance with Article 2. QUANTITY of the agreement between Du Pont and Eagle River, it is estimated, but not guaranteed, that Du Pont will have Eagle River produce the following amount of Product 10 during the indicated periods:

<u>PERIOD</u>	<u>GALLONS.</u>
January - 1978	80,000
February - 1978	80,000
March - 1978	80,000
2nd Qtr. - 1978	240,000
3rd Qtr. - 1978	180,000
4th Qtr. - 1978	180,000
Total	840,000

Very truly yours,

M. E. Stevens
Production Superintendent

MES:mc



CHEMCO INSURANCE AGENCY, INC.
2500 McCain Place - Suite 201
North Little Rock, Arkansas 72116

Telephone: (501) 758-3700

August 29, 1977

Mr. Henry E. Burman
E. I. DuPont DeNemours & Co., Inc.
Wilmington, Delaware 19898

EAGLE RIVER CHEMICAL COMPANY

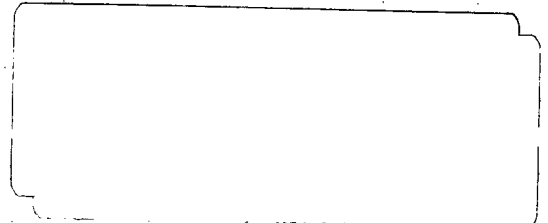
Mr. Burman, enclosed is a Certificate of Insurance showing evidence of insurance carried by Eagle River Chemical Company through our agency.

If any additional information is needed, please let us know.

VERNE BADER

VB/ml
encl.

✓ cc: Mr. David Stroud
Eagle River Chemical Company
P. O. Box 2648
West Helena, Arkansas 72390



Certificate of Insurance



THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.
THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

NAME AND ADDRESS OF AGENCY CHEMCO INSURANCE AGENCY, INC. 2500 MCCAIN PLACE, SUITE 201 NORTH LITTLE ROCK, ARKANSAS 72116	COMPANIES AFFORDING COVERAGES	
	COMPANY LETTER A	HOME INDEMNITY COMPANY
NAME AND ADDRESS OF INSURED EAGLE RIVER CHEMICAL COMPANY P. O. BOX 2648 WEST HELENA, ARKANSAS 72390	COMPANY LETTER B	LEXINGTON INSURANCE COMPANY
	COMPANY LETTER C	
	COMPANY LETTER D	
	COMPANY LETTER E	

This is to certify that policies of insurance listed below have been issued to the insured named above and are in force at this time.

COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EXPIRATION DATE	Limits of Liability in Thousands (000)		
					EACH OCCURRENCE	AGGREGATE
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMPREHENSIVE FORM <input type="checkbox"/> PREMISES—OPERATIONS <input type="checkbox"/> EXPLOSION AND COLLAPSE HAZARD <input type="checkbox"/> UNDERGROUND HAZARD <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS HAZARD <input checked="" type="checkbox"/> CONTRACTUAL INSURANCE <input type="checkbox"/> BROAD FORM PROPERTY DAMAGE <input type="checkbox"/> INDEPENDENT CONTRACTORS <input type="checkbox"/> PERSONAL INJURY	GA 99 61 95	1/1/78	BODILY INJURY	\$ 500	\$ 500 *
				PROPERTY DAMAGE	\$ 500	\$ 500
		GA 99 61 95	1/1/78	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$	\$
		*Applies to Products/Completed Operations Hazard.			\$ (PERSONAL INJURY)	
	AUTOMOBILE LIABILITY <input type="checkbox"/> COMPREHENSIVE FORM <input type="checkbox"/> OWNED <input type="checkbox"/> HIRED <input type="checkbox"/> NON-OWNED			BODILY INJURY (EACH PERSON)	\$	
				BODILY INJURY (EACH OCCURRENCE)	\$	
				PROPERTY DAMAGE	\$	
				BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$	
B	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	5001770	1/1/78	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$ 1,000,000.	
A	WORKERS' COMPENSATION and EMPLOYERS' LIABILITY	WC 99 03 39	1/1/78	STATUTORY		
					\$ 100,000 (EACH ACCIDENT)	
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES

Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

**E. I. Du Pont De Nemours & Co., Inc.
Wilmington, Delaware 19898**

DATE ISSUED:

8/29/77

CHEMCO INSURANCE AGENCY, INC.

AUTHORIZED REPRESENTATIVE



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED

WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

August 19, 1977

Eagle River Chemical Corporation
P. O. Box 2648
West Helena, Arkansas 72390

Gentlemen:

We are currently in the process of updating our files and would like you to forward to us a copy of your Certificate of Insurance per our Agreements with your company.

Your prompt cooperation in this matter would be appreciated.

Very truly yours,

Henry E. Burman /es

HENRY E. BURMAN
PURCHASING AGENT
CONTRACTING SECTION
EQUIPMENT & SUPPLIES DIVISION

HEB/es

8-22-77

*Mem - please comply with Henry E. Burman's request
& mail me a copy of your transmittal letter.
I am attaching a copy of the insurance
certificate requirements described in our
agreement with duPont*

*Charles
Davis*



CHEMCO INSURANCE AGENCY, INC.

P.O. Box 279

North Little Rock, Arkansas 72115

Telephone: (501) 758-3700

March 17, 1978

Mr. Henry E. Burman
E.I. DuPont de Nemours & Company
Wilmington, Delaware 19898

RE: Eagle River Chemical Company

Dear Mr. Burman:

Enclosed is a Certificate of Insurance verifying Liability Insurance carried by Eagle River Chemical Company through our Agency.

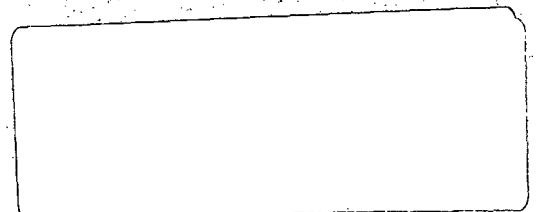
If any additional information is needed, please advise.

Regards,

Verne Bader
VB/ta

Enclosure

✓ cc: Mr. David Stroud
Eagle River Chemical Company
P.O. Box 2648
West Helena, Arkansas 72390



17. INSURANCE

EAGLE RIVER shall carry insurance with the following minimum limits:

- A. Workmen's Compensation - Statutory; Employer's Liability
\$100,000;
- B. Comprehensive General Liability, including Contractual Liability
 - o Bodily Injury - \$1,000,000
 - o Property Damage - \$500,000

Certificates indicating that this insurance is in effect shall be filed with Plant Buyer at DU PONT's Houston Plant prior to the furnishing of services by EAGLE RIVER under this Agreement. Such certificates shall

provide that DU PONT is carried as an additional insured and the insurer will give DU PONT not less than ten (10) days' advance notice of any change in or cancellation of coverage. In case any subcontractor, with DU PONT's consent, is employed, EAGLE RIVER shall provide evidence of the same coverage in the same limits with respect to such subcontractor and provide DU PONT is named as a additional insured on such subcontractor's policies.

Certificate of Insurance



THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.
THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

NAME AND ADDRESS OF AGENCY

CHEMCO INSURANCE AGENCY, INC.
2504 MCCAIN PLACE, SUITE 200
NORTH LITTLE ROCK, AR. 72116

COMPANIES AFFORDING COVERAGES

COMPANY LETTER **A** HOME INDEMNITY COMPANY

COMPANY LETTER **B** LEXINGTON INSURANCE COMPANY

NAME AND ADDRESS OF INSURED

EAGLE RIVER CHEMICAL COMPANY
P. O. BOX 2648
WEST HELENA, ARKANSAS 72390

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

This is to certify that policies of insurance listed below have been issued to the insured named above and are in force at this time.

COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EXPIRATION DATE	Limits of Liability in Thousands (000)		
					EACH OCCURRENCE	AGGREGATE
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMPREHENSIVE FORM <input type="checkbox"/> PREMISES—OPERATIONS <input type="checkbox"/> EXPLOSION AND COLLAPSE HAZARD <input type="checkbox"/> UNDERGROUND HAZARD <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS HAZARD <input checked="" type="checkbox"/> CONTRACTUAL INSURANCE <input type="checkbox"/> BROAD FORM PROPERTY DAMAGE <input type="checkbox"/> INDEPENDENT CONTRACTORS <input type="checkbox"/> PERSONAL INJURY	GA 99 64 65	1/1/81	BODILY INJURY	\$ 500,000	\$500,000
				PROPERTY DAMAGE	\$ 500,000	\$500,000
		GA 99 64 65	1/1/81	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$	\$
				PERSONAL INJURY	\$	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> COMPREHENSIVE FORM <input type="checkbox"/> OWNED <input type="checkbox"/> HIRED <input type="checkbox"/> NON-OWNED			BODILY INJURY (EACH PERSON)	\$	
				BODILY INJURY (EACH OCCURRENCE)	\$	
				PROPERTY DAMAGE	\$	
				BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$	
B	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	500 13 05	1/1/79	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$ 2,000,000	\$
A	WORKERS' COMPENSATION and EMPLOYERS' LIABILITY	WC 99 08 29	1/1/81	STATUTORY		
					\$ 100,000	(EACH ACCIDENT)
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES

Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

NAME AND ADDRESS OF CERTIFICATE HOLDER:

E. I. Du Pont De Nemours & Co., Inc.
Wilmington, Delaware 19898
Attn: Mr. Henry E. Burman

DATE ISSUED:

3/17/78

CHEMCO INSURANCE AGENCY, INC.

AUTHORIZED REPRESENTATIVE

December

$$458,333.47 \times 10\% = 45,833.35$$

$$\frac{45,833.35}{365} \times 30 = 3767.12 \text{ TOTAL INTEREST}$$

$$\begin{array}{r} 458,333.47 \\ - 20,833.33 \\ \hline \end{array}$$

$$437,500.14 \times \frac{10\%}{12} =$$

$$\begin{array}{r} 43,750.01 \\ \hline 39,375.01 \end{array}$$

$$\begin{array}{r} 39,375.01 \div 12 = \\ 43,750.01 \end{array}$$

$$\begin{array}{r} 32,812.5 \\ \hline 36,458.3 \end{array} \text{ du Pont Interest}$$

$$\begin{array}{r} \text{less } 3767.12 \text{ Total Interest} \\ 36,458.3 \text{ du Pont Interest} \\ \hline 485.87 \text{ Eagle River Interest} \\ 121.29 \end{array}$$

January 1, 1979

$$437,500.14 \times 10\% = 43,750.01$$

$$\frac{43,750.01}{365} \times 30 = 3,595.89 \quad \text{TOTAL INTEREST}$$

$$437,500.14$$

$$- 20,833.33$$

$$416,666.81 \times 10\% = 41,666.68$$

$$41,666.68 \div 12 = 3,472.22 \quad \text{DU PONT INTEREST}$$

$$\text{Total Interest} \quad 3,595.89$$

$$\text{duPont Interest portion} \quad \underline{3,472.22}$$

$$\text{Eagle Rider Interest portion} \quad \underline{\underline{123.67}}$$

February 1, 1979

$$416,666.81 \times 10\% = 41,666.68$$

$$\frac{41,666.68}{365} \times 30 = 3,424.66 \quad \text{TOTAL INTEREST}$$

$$416,666.81$$

$$- 20,833.33$$

$$395,833.48 \times 10\% \div 12 = 3,298.61 \quad \text{DUPONT INTEREST}$$

$$\text{Total Interest} \quad 3,424.66$$

$$\text{dupont Interest portion} \quad 3,298.61$$

$$\text{Eagle River Interest portion} \quad 126.05$$



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED

WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

August 19, 1977

Eagle River Chemical Corporation
P. O. Box 2648
West Helena, Arkansas 72390

Gentlemen:

We are currently in the process of updating our files and would like you to forward to us a copy of your Certificate of Insurance per our Agreements with your company.

Your prompt cooperation in this matter would be appreciated.

Very truly yours,

Henry E. Burman

HENRY E. BURMAN
PURCHASING AGENT
CONTRACTING SECTION
EQUIPMENT & SUPPLIES DIVISION

HEB/es

8-22-77

*Wm - please comply with Henry E. Burman's request
+ mail me a copy of your transmittal letter.
I am attaching a copy of the insurance
certificate requirements described in our
agreement with duPont*

*Charles
Dove*

EAGLE RIVER shall carry insurance with the following minimum limits:

- A. Workmen's Compensation - Statutory; Employer's Liability
\$100,000;
- B. Comprehensive General Liability, including Contractual
Liability
 - o Bodily Injury - \$1,000,000
 - o Property Damage - \$500,000

Certificates indicating that this insurance is in effect shall be filed with Plant Buyer at DU PONT's Houston Plant prior to the furnishing of services by EAGLE RIVER under this Agreement. Such certificates shall

provide that DU PONT is carried as an additional insured and the insurer will give DU PONT not less than ten (10) days' advance notice of any change in or cancellation of coverage. In case any subcontractor, with DU PONT's consent, is employed, EAGLE RIVER shall provide evidence of the same coverage in the same limits with respect to such subcontractor and provide DU PONT is named as a additional insured on such subcontractor policies.

VB/ml
encl.

✓cc: Mr. David Stroud
Eagle River Chemical Company
P. O. Box 2648
West Helena, Arkansas 72390





CHEMCO INSURANCE AGENCY, INC.
2500 McCain Place - Suite 201
North Little Rock, Arkansas 72116

Telephone: (501) 758-3700

August 29, 1977

Mr. Henry E. Burman
E. I. DuPont DeNemours & Co., Inc.
Wilmington, Delaware 19898

EAGLE RIVER CHEMICAL COMPANY

Mr. Burman, enclosed is a Certificate of Insurance showing evidence of insurance carried by Eagle River Chemical Company through our agency.

If any additional information is needed, please let us know.

VERNE BADER

VB/ml
encl.

✓ cc: Mr. David Stroud
Eagle River Chemical Company
P. O. Box 2648
West Helena, Arkansas 72390



CHEMCO INSURANCE AGENCY, INC.
2500 MCCAIN PLACE, SUITE 201
NORTH LITTLE ROCK, ARKANSAS 72116

NAME AND ADDRESS OF INSURED

EAGLE RIVER CHEMICAL COMPANY
P. O. BOX 2648
WEST HELENA, ARKANSAS 72390

COMPANIES AFFORDING COVERAGES

COMPANY LETTER **A** HOME INDEMNITY COMPANY

COMPANY LETTER **B** LEXINGTON INSURANCE COMPANY

COMPANY LETTER **C**

COMPANY LETTER **D**

COMPANY LETTER **E**

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					EACH OCCURRENCE	AGGREGATE
A	GENERAL LIABILITY					
	<input checked="" type="checkbox"/> COMPREHENSIVE FORM	GA 99 61 95	1/1/78	BODILY INJURY	\$ 500	\$ 500 *
	<input type="checkbox"/> PREMISES—OPERATIONS <input type="checkbox"/> EXPLOSION AND COLLAPSE HAZARD <input type="checkbox"/> UNDERGROUND HAZARD <input type="checkbox"/> PRODUCTS COMPLETED OPERATIONS HAZARD			PROPERTY DAMAGE	\$ 500	\$ 500
	<input checked="" type="checkbox"/> CONTRACTUAL INSURANCE <input type="checkbox"/> BROAD FORM PROPERTY DAMAGE <input type="checkbox"/> INDEPENDENT CONTRACTORS <input type="checkbox"/> PERSONAL INJURY	GA 99 61 95	1/1/78	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$	\$
				*Applies to Products/Completed Operations Hazard.		\$ (PERSONAL INJURY)
	AUTOMOBILE LIABILITY					
	<input type="checkbox"/> COMPREHENSIVE FORM			BODILY INJURY (EACH PERSON)	\$	
	<input type="checkbox"/> OWNED			BODILY INJURY (EACH OCCURRENCE)	\$	
	<input type="checkbox"/> HIRED <input type="checkbox"/> NOT OWNED			PROPERTY DAMAGE	\$	
B	EXCESS LIABILITY					
	<input checked="" type="checkbox"/> UMBRELLA FORM	5001770	1/1/78	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$ 1,000,000.	
	<input type="checkbox"/> OTHER UMBRELLA FORM					
A	WORKERS' COMPENSATION and EMPLOYERS' LIABILITY	WC 99 03 39	1/1/78	STATUTORY		
	OTHER				\$ 100,000 (EACH ACCIDENT)	

DESCRIPTION OF OPERATIONS, LOCATIONS, VEHICLES

Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

NAME AND ADDRESS OF CERTIFICATE HOLDER
E. I. Du Pont De Nemours & Co., Inc.
Wilmington, Delaware 19898

DATE 8/29/77
CHEMCO INSURANCE AGENCY, INC.
Charles Baker
AUTHORIZED REPRESENTATIVE

It is understood that EAGLE RIVER will stand ready to operate the facilities 330 days per year with 35 days downtime for plant maintenance and repair. However, if EAGLE RIVER's facilities are unavailable for Product 10 production for less than 330 days per year for any cause not directly attributable to DU PONT, then DU PONT will not pay EAGLE RIVER any charges for any days less than 330 days per year that EAGLE RIVER is unable to produce Product 10.

It is anticipated but not guaranteed that DU PONT will require EAGLE RIVER's services to manufacture Product 10 under this Agreement for a period of approximately 24 to 36 months. During the term of this Agreement, EAGLE RIVER agrees to manufacture other products for DU PONT for a mutually agreed upon compensation or maintain the facility on a stand-by basis until such time as DU PONT notifies EAGLE RIVER in writing that no further manufacturing will be required. DU PONT will continue to make amortization payments as defined herein until all such payments have been made or the Agreement is terminated as provided in Article 5. TERM OF AGREEMENT.

B. Amortization Payments - DU PONT agrees to amortize a portion of the cost of EAGLE RIVER's facility as defined in Exhibit "E", as amended, attached hereto and made a part hereof, including the cost of associated equipment and the installation thereof. The amounts to be amortized shall be:

1. \$1,250,000 - DU PONT will amortize said sum over a period of five (5) years, payable in sixty (60) successive monthly installments with first payment made September 1975. Monthly payments shall be equal to an amount sufficient to amortize a note of \$1,250,000 bearing interest at a rate equal to the prime interest rate charged by the First National Bank of Phillips County, Helena, Arkansas, or ten (10) percent per annum, whichever is lower. Each installment shall be one-sixtieth (1/60) of \$1,250,000 plus applicable interest on the unamortized balance. DU PONT will have the option to pay the unamortized balance at any time without charge for accelerating payments. DU PONT acknowledges and has agreed to EAGLE RIVER assigning its rights to said amortization payments as security for a loan to finance the construction herein covered.

PROMISSORY NOTE

\$ 1,250,000.00

Helena, Arkansas

Sept. 3 19 75

FOR VALUE RECEIVED, the undersigned, or either of us, promise to pay to FIRST NATIONAL BANK OF PHILLIPS COUNTY, Helena, Arkansas or order, the principal sum of One Million Two Hundred Fifty Thousand and no/100 ----- Dollars (\$ 1,250,000.00), with interest from date on said sum or unpaid balance thereof at the rate of Ten percent (10 %) per annum, payable monthly, said principal and interest being payable on an amortization plan of Sixty (60) monthly installments of Twenty-six Thousand Five Hundred Sixty-two and 100/100 26,562.00 each, the first being payable on the 15th day of October, 1975, and one installment being payable on the 15th day of each and every successive month thereafter for Fifty-nine (59) months. The makers hereof shall have the privilege of prepayment of said Note by paying only the unpaid principal and accrued interest to the Date of such prepayment. The said principal and interest shall be payable at the First National Bank of Phillips County, 502 Cherry Street, Helena, Arkansas or at such other place as the holder hereof may designate in writing.

If default be made in the payment of any installment under this note, and if the default is not made good prior to the due date of the next such installment, the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

Presentment, protest and notice are hereby waived, and the makers agree to all extensions and partial payments, before or after maturity, without prejudice to the holder.

The makers, signers, endorsers hereof agree that in case payment of this note shall not be made at maturity, and the same is placed in the hands of any attorney for collection, they will pay the costs of collecting this note, including an attorney's fee of ten percent (10%) of principal and interest remaining unpaid.

EAGLE RIVER CHEMICAL CORPORATION
BY: Jerry Williams

President

BY: John Burger

Secretary

Collateral: Real Estate Deed of Trust of even date herewith, Assignment, and Security Agreement

Jerry Williams
Jerry Williams personally

VERTAC, INC.



SUITE 2414 • 5100 POPLAR
MEMPHIS, TN 38137 • 901-767-6851

INTER-OFFICE CORRESPONDENCE

DATE: February 16, 1977

TO: L. E. HARCROW B. F. McAVOY
J. A. MITCHELL ✓ J. W. SHACKELFORD


FROM: C.P. BOMAR

SUBJECT: DuPont Product 10 Agreement

REPLY REQUESTED BY (DATE)

Attached is a copy of the February 11, 1977 amendment to the Product 10 Agreement as signed by DuPont. If you approve of this amendment, please indicate your acceptance in the space provided below and return this memo to me.

The final signed Vertac copy will be circulated for your initials later.


C. P. BOMAR

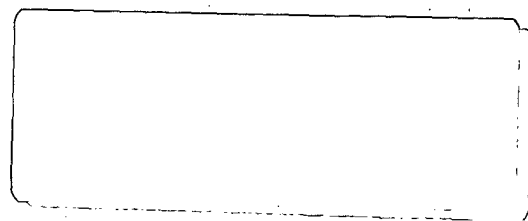
ACCEPTED:

BY: 

DATE: Feb. 20, 1977

/em

CC: R. A. Guidi
J. J. O'Neill





E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED
WILMINGTON, DELAWARE 19898

ENERGY AND MATERIALS DEPARTMENT

February 11, 1977

MR. JOHN J. O'NEILL
EAGLE RIVER CHEMICAL CORPORATION
C/O VERTAC CONSOLIDATED
5100 POPLAR - SUITE 2414
MEMPHIS, TENNESSEE 38137

Dear Mr. O'Neill:

Reference is made to the Agreement between our two companies dated June 1, 1975 (hereinafter Agreement) relative to the manufacture of Lannate® L Methomyl. It is hereby mutually agreed to amend the aforesaid Agreement in the following manner effective July 1, 1976.

3. COMPENSATION - Delete this Article in its entirety and in lieu thereof insert the following:

3. COMPENSATION

A. Manufacturing Costs - The manufacturing costs for Product 10 are summarized in Exhibit "C", attached hereto and made a part hereof. All units of consumption (usage per gallon) including number of operators are fixed for the period of Agreement. It is agreed that EAGLE RIVER may adjust costs as follows:

1. Methylene Chloride - Invoiced monthly at actual cost to EAGLE RIVER based on agreed to consumption rates.

2. Utilities & Operating Labor - Costs may be adjusted each January 1 or July 1 on sixty (60) days' prior written notice to reflect actual increases or decreases in costs.

3. All Other Items - May be adjusted every twelve (12) months, effective July 1, based on actual increases or decreases in costs provided sixty (60) days' prior written notice of the adjustment is given to DU PONT.

If EAGLE RIVER's facilities are shut down at DU PONT's direction, DU PONT agrees to pay EAGLE RIVER as total compensation standby charges in accordance with Exhibit "C".

*Returned cover to
Pat. R. 2-21-77
indicating approval -
S*

It is understood that EAGLE RIVER will stand ready to operate the facilities 330 days per year with 35 days downtime for plant maintenance and repair. However, if EAGLE RIVER's facilities are unavailable for Product 10 production for less than 330 days per year for any cause not directly attributable to DU PONT, then DU PONT will not pay EAGLE RIVER any charges for any days less than 330 days per year that EAGLE RIVER is unable to produce Product 10.

It is anticipated but not guaranteed that DU PONT will require EAGLE RIVER's services to manufacture Product 10 under this Agreement for a period of approximately 24 to 36 months. During the term of this Agreement, EAGLE RIVER agrees to manufacture other products for DU PONT for a mutually agreed upon compensation or maintain the facility on a stand-by basis until such time as DU PONT notifies EAGLE RIVER in writing that no further manufacturing will be required. DU PONT will continue to make amortization payments as defined herein until all such payments have been made or the Agreement is terminated as provided in Article 5. TERM OF AGREEMENT.

B. Amortization Payments - DU PONT agrees to amortize a portion of the cost of EAGLE RIVER's facility as defined in Exhibit "E", as amended, attached hereto and made a part hereof, including the cost of associated equipment and the installation thereof. The amounts to be amortized shall be:

1. \$1,250,000 - DU PONT will amortize said sum over a period of five (5) years, payable in sixty (60) successive monthly installments with first payment made September 1975. Monthly payments shall be equal to an amount sufficient to amortize a note of \$1,250,000 bearing interest at a rate equal to the prime interest rate charged by the First National Bank of Phillips County, Helena, Arkansas, or ten (10) percent per annum, whichever is lower. Each installment shall be one-sixtieth (1/60) of \$1,250,000 plus applicable interest on the unamortized balance. DU PONT will have the option to pay the unamortized balance at any time without charge for accelerating payments. DU PONT acknowledges and has agreed to EAGLE RIVER assigning its rights to said amortization payments as security for a loan to finance the construction herein covered.

2. \$72,000 - DU PONT agrees to pay directly to EAGLE RIVER an amount not to exceed seventy-two thousand dollars (\$72,000) for additional equipment that will increase EAGLE RIVER's capacity to 1.2 million gallons of Product 10 per year. DU PONT will pay the \$72,000 over a two (2) year period in twenty-four (24) equal monthly payments. First payment was made in June 1976.

*First Invoice
arrived 6-1-76
#2350 for \$3000.00
DL*

C. Add-On Charge - In addition to all other costs, DU PONT agrees to pay EAGLE RIVER an add-on charge of \$0.50 per gallon for the first one (1) million gallons of Product 10 produced in any contract year and \$0.25 per gallon for every gallon of Product 10 produced over the initial one (1) million gallons in any contract year. The add-on charges are firm until July 1, 1977. Thereafter, either party may request annually to renegotiate the add-on charges with thirty (30) days' prior written notice.

All other terms and conditions remain the same.

Please signify your acceptance of the above by signing in the space provided below and returning the copy marked "WILM. E&M DEPT. COPY" to H. E. Burman.

Very truly yours,

E. I. DU PONT DE NEMOURS AND COMPANY

BY

[Signature]
Vice President and General Manager

TITLE Engineering and Materials Department

DATE

February 11, 1977

ACCEPTED:

VERTAC CONSOLIDATED

BY

TITLE

DATE

[Vertical stamp/initials on right margin]

EXHIBIT "C"

For the Period: 7/1/76 - 12/31/76

Manufacturing Cost/Product 10

1,200,000 gallons/year capacity @ 330 day/year operation

	USAGE PER GALLON	UNIT COST \$	VARIABLE COST/GALLON \$	FIXED COST PER MONTH \$	(1) STAND-BY COST/MONTH
1. <u>RAW MATERIAL USAGE</u>					
Slurry (as 100% MTAAO)	1.33	-			
Methyl Isocyanate	0.75	-			
Methanol	5.25	-			
Methylene Chloride	0.70(2)	0.1975	0.13825		
2. <u>UTILITIES</u>					
Electricity	1.72 KWH	0.02900	0.04988	1,500	Net Billing
Steam	13.10 lbs.	0.00175	0.02293	740	
Water	4.15 gal.	0.00053	0.00220	200	
Nitrogen	7.55 SCF	0.00367	0.02771	450	450
Natural Gas	876 MSCF(3)	0.81000	-	710	
Sub Total			0.10272	3,600	450
3. <u>OPERATING LABOR</u>					
Operating			-	10,305	
Packaging			0.08000	4,800	
Sub Total			0.08000	15,105	2,555
4. <u>MAINTENANCE</u>					
Repair Labor				4,500	
Maintenance Mat.				4,500	
Maintenance O/H				2,000	
Sub Total			-	11,000	2,100
5. <u>MISCELLANEOUS OPERATING EXPENSE</u>					
Supervision & Clerical				3,150	2,100
Operating Materials			0.00550	1,050	-
Laboratory				5,250	1,838
Shipping & Handling				900	
Sub Total			0.00550	10,350	3,938
6. <u>ADMINISTRATIVE O/H</u>					
Sub Total			-	7,140	4,200
7. <u>WASTE DISPOSAL</u>					
Sub Total			(4)	-	-
TOTAL			<u>\$0.32647</u>	<u>\$47,195</u>	<u>\$13,243</u>

(1) For declared six months (min.) period; charge for shorter periods will be negotiated.

(2) Subject to retroactive adjustment to 7/1/76 upon establishing consumption by material balance.

(3) Monthly consumption.

(4) To be billed at cost from mutually acceptable disposal companies, but not to exceed \$0.28 per gallon of Product 10.

EFFECTIVE JULY 1, 1976

EXHIBIT "C"

For the Period: 1/1/77 - 6/30/77

Manufacturing Cost/Product 10

1,200,000 gallons/year capacity @ 330 day/year operation

	USAGE PER GALLON	UNIT COST \$	VARIABLE COST/GALLON \$	FIXED COST PER MONTH \$	STAND- COST/MON
1. RAW MATERIAL USAGE					
Slurry (as 100% MTAAO)	1.33	-			
Methyl Isocyanate	0.75	-			
Methanol	5.25	-			
Methylene Chloride	0.70 (2)	0.1975	0.13825		
2. UTILITIES					
Electricity	1.72 KWH	0.03099	0.05330	1,500	Net Bill
Steam	13.10 lbs.	0.00334	0.04375	740	
Water	4.15 gal.	0.00056	0.00232	200	
Nitrogen	7.55 SCF	0.00367	0.02771	450	450
Natural Gas	876 MSCF (3)	1.13800	-	997	
Sub Total			0.12708	3,887	450
3. OPERATING LABOR					
Operating			-	10,820	
Packaging			0.08000	5,280	
Sub Total			0.08000	16,100	2,555
4. MAINTENANCE					
Repair Labor				4,500	
Maintenance Mat.				4,500	
Maintenance O/H				2,000	
Sub Total			-	11,000	2,100
5. MISCELLANEOUS OPERATING EXPENSE					
Supervision & Clerical				3,150	2,100
Operating Materials			0.00550	1,050	-
Laboratory				5,250	1,838
Shipping & Handling				900	
Sub Total			0.00550	10,350	3,938
6. ADMINISTRATIVE O/H					
Sub Total			-	7,140	4,200
7. WASTE DISPOSAL					
Sub Total			(4)	-	-
TOTAL			\$0.35083	\$48,477	\$13,243

- (1) For declared six months (min.) period; charge for shorter periods will be negotiated.
- (2) Subject to retroactive adjustment to 7/1/76 upon establishing consumption by material balance.
- (3) Monthly consumption.
- (4) To be billed at cost from mutually acceptable disposal companies, but not to exceed \$0.28 per gallon of Product 10.